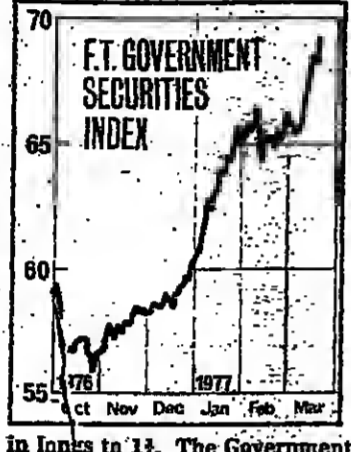


PLANNING MANAGEMENT IN CONSTRUCTION

NEWS SUMMARY

Lost wanted rovo... Equities and gilts at 3-year peaks



Equities gained on a broad front... The FT 30-Share Index rose 5.8 to 432.8...

U.K. could achieve rapid growth says OECD

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

Britain could achieve a rapid rate of economic growth compared with past levels and a steady rise in living standards over the next few years...

Labour ducks out of vote

By Richard Evans, Lobby Editor

THE GOVERNMENT ducked out of an important Commons division last night when faced with the prospect of a humiliating defeat at the hands of the combined Opposition parties.

Palestinians hail Carter statement

BY OUR FOREIGN STAFF

MR. YASSIR ARAFAT, chairman of the Palestine Liberation Organisation, last night described with approval the statement by President Jimmy Carter...

Fear of redundancy as Leyland reviews future

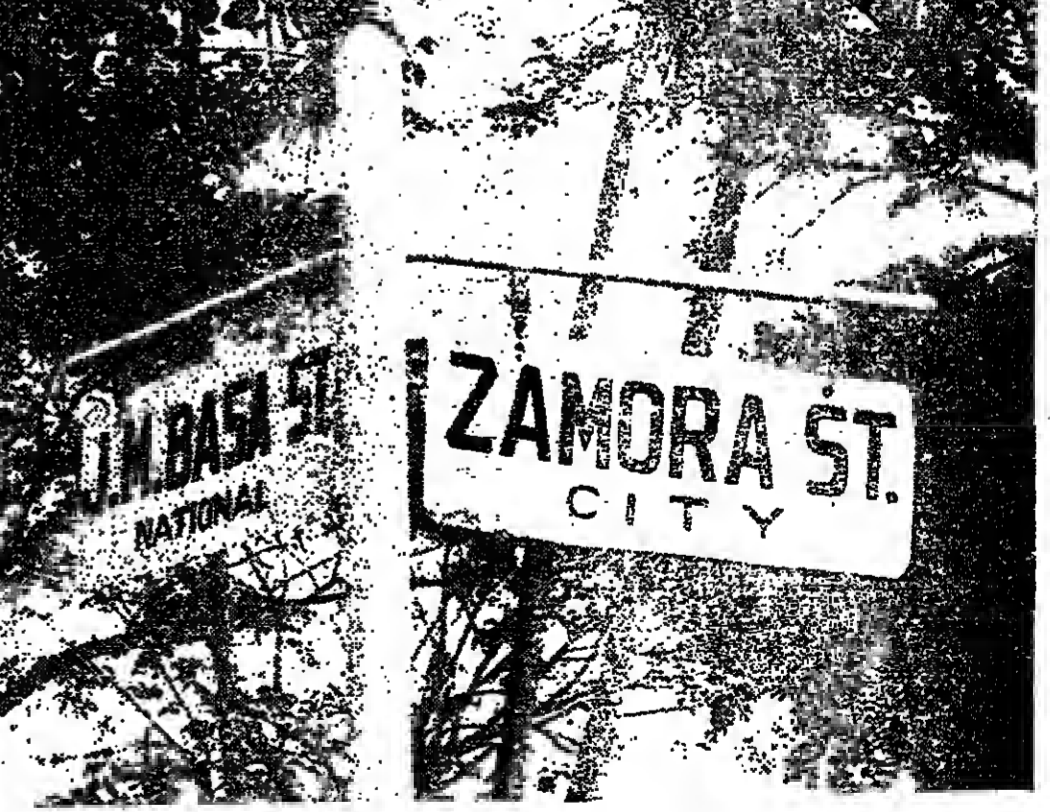
BY OUR INDUSTRIAL STAFF

THE CONCLUSION yesterday of Leyland's month-long strike has cleared the way for a review of the company's investment programme...

68 die in Lebanon Left revenge

BY IMHAN HUAZI BEIRUT, March 17

AT LEAST 68 people have been reported killed in Lebanon in a wave of revenge murders following the assassination of the Left-wing leader Mr. Kamal Jumblatt...



WHERE IN THE WORLD WILL YOU FIND STANDARD CHARTERED?

This picture helps to prove that if you have business in the Philippines it will pay you to deal with a British bank like Standard Chartered...

Standard Chartered Bank Limited helps you throughout the world

Iron ore plant for Tyneside

BY OUR INDUSTRIAL STAFF

BRITISH NATIONAL OIL Corporation will have access to two large oil fields in the North Sea...

Row over Lonrho and SUITS

BY MICHAEL LAFFERTY, CITY STAFF

RELATIONS between Lonrho and the City establishment deteriorated further yesterday as a row broke out involving Robert Fleming and Co. Ltd., the Company's financial advisers...

ets law move

BY OUR INDUSTRIAL STAFF

Wigan's ruin of success... The authorities would be unhappy to see a fall of more than 1 per cent in MLR today...

PRICE CHANGES YESTERDAY

Table with columns for various commodities and their price changes, including London United Invs, Flour, and various oils.

Table with columns for 'FEATURES' and 'ON OTHER PAGES', listing various news items and their page numbers.

Table with columns for 'IN NEW YORK' and 'FT SURVEY', showing market data and survey results.

LOMBARD

Finding out on the spot

BY BRIDGET BLOOM

SOMETIMES the wisdom of the Foreign Office passes all understanding. Dr. David Owen's initiative on Rhodesia...

decision to keep Dr. Owen out of Rhodesia is foolish. He should go, and should make the sure that he not only meets Mr. Smith...

He should go

Now I am not suggesting that this misreading of the Rhodesian scene was anything like the main reason for the collapse of the Kissinger/Richard initiatives...

Sad response

Apart from the fact that British ministers have been before, and presumably will have to explain, the sad thing about this response is that the government and its officials...

RACING

BY DOMINIC WIGAN

Lanzarote dies in Gold Cup

THE 49TH RUNNING of the Cheltenham Gold Cup won by Ireland's Davy Lud, was marred yesterday by the death of Lanzarote.

Fred Winter's remarkable nine-year-old, strongly fancied by his connections as the first horse in history to complete the Cheltenham Gold Cup...

most experienced jockey riding at Cheltenham—got a tremendous response when asking Meladon for an effort, and the Adrian Maxwell-trained colt...

LINGFIELD 2.00-Selway 2.30-Cheapsy 3.00-Barry John 3.30-Game David 4.00-Azee Star 4.30-Satan Power

UTOXETER 2.15-Honourable Enoch 2.45-Spacer 3.15-Downing Arms 4.15-Moonstone Lad

SALEROOM

BY CAMELA JUDGE

Evelyn table sold for £25,000

AN ASTONISHING £25,000 was paid at Christie's yesterday for John Evelyn's table, a fine heavily carved walnut and hime-wood work by Grinling Gibbons.

open arm chairs and a pair of sofas. The whole sale—of English furniture, Eastern rugs and carpets—totalled £175,292 with very few lots unsold.

a Regency mahogany hanging display cabinet (a companion to one in the Victoria and Albert Museum) went to Hotspur for £8,500.

Cricketis on Page 13

— showed no going back on recent advances. There were a number of record prices, including haut-brun '63 (£290 per dozen), Ladite '55 (£280), Ch. Margaux '61 (£310) and Petrus '62 (£185).

Among no fewer than 35 different '70s, a vintage first bought by speculation and then much depressed, Latour made a record £145 for six magnums.

WINE SALE

Claret prices advancing

BY EDMUND PENNING-ROWSELL

IN SPITE of the extensive range and considerable amount of fine clarets in Christie's sale yesterday, prices paid—and only one lot out of 467 remained unsold.

CLARET PRICES ADVANCING

CLARET PRICES ADVANCING

ANGLIA

SOUTHERN

SCOTCH

ATV MIDLANDS

BORDER

CHANNEL

GRAMPIAN

TYNE TEES

ULSTER

LONDON

GRANADA

WESTWARD

RADIO 1

HTV

YORKSHIRE

RADIO 2

BBC 2

BBC 2

RADIO 3

BBC 3

BBC 3

RADIO 4

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Anglo American Industrial Corporation Limited

(Incorporated in the Republic of South Africa)

PROVISIONAL ANNUAL FINANCIAL STATEMENT FOR THE YEAR ENDED 31st DECEMBER 1976

Subject to final audit, the abridged consolidated income statement of the company and its subsidiaries for the year ended 31st December 1976, and the abridged consolidated balance sheet at that date are as follows:

Table with 2 columns: Description and Amount. Includes Turnover of operating subsidiaries, Investment income, Trading profits of subsidiary companies, Interest earned, etc.

Table with 2 columns: Description and Amount. Includes Dividend No. 23, Dividend No. 26, Transfer to non-distributable reserve, etc.

Table with 2 columns: Description and Amount. Includes Issued share capital, Share premium, Non-distributable reserve, etc.

Table with 2 columns: Description and Amount. Includes Current assets, Stocks, stores, raw materials and work in progress, Debtors, etc.

NOTES

1. The income statement and balance sheet for the year ended 31st December 1976, are comparable with the previous year's figures for the following reasons: (a) As previously reported, two former subsidiaries, Board Mills Ltd and Freight Services Holdings Limited (FSH), formerly Aero Services Holdings Limited, were consolidated in 1975 but not in 1976...

FINAL DIVIDEND No. 26

A final dividend of 43 cents a share (previous year: 41 cents), for the year ended 31st December 1976, has been declared payable to shareholders registered in the company's books as at the close of business on 1st April 1977. This dividend, together with the interim dividend of 23 cents a share, payable on 15th April 1977, totals 66 cents a share for the year (1975: 63 cents)...

Table of television programmes for BBC 1, BBC 2, and BBC 3, including times and titles.

F.T. CROSSWORD PUZZLE No. 3333

Crossword puzzle grid with numbers 1-28 indicating starting positions for clues.

- ACROSS: 1 Foreign capitalist (8), 5 Salim Bill joins you and me at children's counter (6), 10 Familiar name given in early king by a student—(8)...

Solution to Puzzle No. 3333, showing the filled-in crossword grid.

Handwritten scribble at the bottom of the page.

3  
The Financial Times Friday March 18 1977  
Pleasure never is at home  
by NIGEL ANDREWS

John Paul Jones

- Butterfly Ball (U) Odeon, Chelsea
- (AA) Elm Bloomsbury
- re at Her Majesty's (A) Academy, Three
- Avant-Garde Film Hayward Gallery
- Name of the Father (AA) The Other Cinema
- Cinema Portobello Road
- amerman
- Cinema, Covent Garden
- Portrait
- ICA

the honourable excep- Roger Graef's *Pleasure* *Majesty's*, a film record of the 1975-76 season, a film which is quite undreamt-of depths. Klinger's *The Butterfly* is a secular of a film recent at the Albert Hall, in my seat for less than its 57-minute length. The film is one that critics exercise sparingly, and fetters could not be secured to my for the entire duration film. Klinger has had a reputation of interesting of the artist in pariform (who include Twiggy, Glover, Carl Jordan, Lee Soble and others) which cheerfully varied material as scenes of a play (including a belly dancer, and dropping bombs, other). The mixture of trendiness and fulsome bad at results would be hard.



A living statue from 'In the Name of the Father'

supply of riddles simply overloads it. *Pleasure at Her Majesty's* is a joyous, entertaining 100 minutes, let down at the last by the incompatibility between its ambitions and its running time. How to condense into a feature-length documentary an anthology of the best sketches from the revue, as well as a picture of the rehearsal, the backstage meetings and the dressing-room camaraderie that led up to that immortally named 'stageshow', *At the Feet of a Sharp Stick?* Here are the *Beyond The Fringe* foursome, the Monty Python team, the Goggles and all the rest of that holy alliance of University wits that took British comedy by storm in the 1960s and 'early 70s'. But, alas, the film vacillates too long and too confusedly between trying to give us the inside of stage-work, the people behind the show (John Bird confessing sheepishly that he hasn't prepared his material; Alan Bennett slumped lugubriously in an armchair telling everyone how unfunny he feels) and offering us mouth-watering glimpses of the show itself. The latter, in fact, steals the film; and, one ends, up, tetchily begrudging every inroad that our offstage reality makes into the on-stage fantasy.

tical fringe. ("Is it right?" one hey quernously asks. "to spend one's whole life preparing only for death?") But the film never pretends that there is any guarantee, when one form of moral despotism has been overturned, that it may not be replaced by another. Carl Dreyer's sublime *Ordet*, made in 1954, gives us Christianity with a human face. But it is at one with Bellocchio's film at least in its conviction that no religion can survive without a central, purifying core of human love.

Dreyer's film is adapted from a Danish play of the 1930s and like his majestic last film *Gertrud* (1964), it both loves and effectively parries accusations of "staginess". Apart from a couple of wind-swept sorties into the surrounding landscape, the camera spends its entire time indoors. But it is seldom absolutely still; prowling up and down the long, dimly-lit parlour of the family home where three contrasting generations make up the film's dramatic personnel: the grey-beard grandfather, his three-sons (one a crazed religious zealot who believes he is Christ incarnate), and his two grand-daughters. And there is a fourth, a daughter-in-law whose tragedy—or near-tragedy—powers the film's story. When she falls ill during childbirth and dies, it seems that only a miracle can restore the family to its former happiness. But faith and right chemistry of faith, hope and human love. Dreyer suggests, miracles may still happen...

## Coliseum Werther by RONALD CRICHTON

Massenet's *Werther* in the English National Opera's new production by John Copley, conducted by Charles Mackerras, designed by Stefanos Lazaridis and Michael Stennett, was given its world premiere on Wednesday night in aid of the company's Benevolent Fund, in the presence of Princess Margaret. In spite of a decent production at Sadler's Wells and a sensitive staging at Glyndebourne, *Werther*, by common consent one of the two most successful operas in Massenet's large tally, has failed so far to capture the British imagination. The reason can hardly be that the Frenchness is too idiomatic for export. The brand of romanticism with which *Werther* is concerned was crystallised by Goethe in the book on which the opera is based. Massenet's *Werther* took not Italian nationalisation papers at an early stage. The first performance took place in Vienna, and Charlotte was a favourite role of Lotte Lehmann, not a singer normally much involved with the French repertoire. In our own day Christa Ludwig is an admired interpreter. Yet although England gave so much to the Romantic movement, there is something about this example, about the contrast between serene, provincial domesticity and the cutting bread and butter for her younger, motherless brothers and sisters) and the transports of *Werther's* passion for her, something as well about the harping on suicide, that stuck or at any rate used to stick, in English gullets.

Attitudes have changed, to family life, to what used to be known as "infidelity", and more over to Massenet's music. He has been taken up by the opera buff and the gramophone companies with an enthusiasm which threatens to become almost as excessive as the puritan zeal with which he was formerly damned. The soil is ready, while if ever there was a *Werther* with a chance of taking root in the British repertoire, it is this one—admirably conducted, produced with the best side of Copley's gift for detail, not the abundance of picturesque touches but a deftly understood explanation of the principal characters. What is more, those characters are given performances of great excellence by Janet Baker as Charlotte and John Brecknock as *Werther*.

## Radio 3 BBC Symphony by DAVID MURRAY

The broadcast of *St. Thomas* *Wolke*, Peter Maxwell Davies' "Foxtrot for Orchestra," from Festival Hall on Wednesday night confirmed the potent impression originally made by the piece. It is "musical theatre" if ever there was such a thing: the idea for the work, the initial *donnée*, is strong enough to have survived less sophisticated treatment than Davies has given it. A small foxtrot band plays 1930s dance numbers, relentlessly bright, routied and snappy, impervious to the rising menace of the orchestra behind it. The traffic between the groups is one-way—though the orchestral counter-melody develops through wild stormings of the strings, recognising echo comes from the little band, which matters inconsequently to the very end.

## Jeannetta Cochrane Collaboration Four by CLEMENT CRISP

The eternal quest for, new choreography, and the search for new design ideas, are the admirable ideals that inspire the collaboration between Ballet Rambert and the theatre department of the Central School of Art and Design. This year the fourth of these enterprises will occupy the rest of the current week; it would be idle to pretend that we can expect much blazing novelty from these occasions, but the very fact of their taking place is in itself welcome. Choreographers and stage designers have to complete their education in public; nothing can replace that moment when the curtain rises and steps and decoration are revealed to the world.

## Bedroom Farce

bedrooms designed by O'Brien and Tazena, the width of the stage, a bed in each. Stage solid respectability of and Della, a middle-aged concerned about the marriage of their son and about the wet patch of the spare room. A neat new suburban Malcolm and Kate, who to give a party. Stage k and Jan in a trendy-type room, where Nick to bed with, a slipped n—and this is the first any connection between rooms—was Trevor's d before he married.

## Haymarket, Basingstoke

The "favourites" in this new comedy by the shouting and Mark as the bowing family of Lennard, gathered together in Belgravia for Christmas, and subsequently a mutual recrimination binge that would, presumably, horrify the general public were they to learn of it in the media.

## Favourites by MICHAEL COVENEY

memories of Hollywood, that tom-cat town. The writing almost goes out of its way to rub in the one short scene is devoted to Philip's descent on New Year's Day to check in the Times that his leading actor has gone unrecognised in the list: "It's all right," he shouts upstairs, "Ronnie hasn't got one."

## Collaboration Four

imagery, had a theatrical punch and a boldness of conception that argued a gift worth encouragement. It gave a chance to its designer, Liz Ashard, to devise a clever setting: a ruined motor car still steaming hideously from a recent crash. The driver and his female companion lie beside the wreck; over them cover two black-clad figures, the scene of the crime, a tableau of death. The dance action takes the form of a nightmarish recapitulation of the crash and the intervention of the two symbolic attendants, an effect heightened by a sound collage from Bill Imrie and Richard Crosby, which compounds fragments of broadcasts. Kathleen Ferrier singing the last of Brahms' *Four Serious Songs*, and the wall of sirens. The sun effect is brutal—but accidents are brutal—but abjectly in itself no means absolute. Clear at a first viewing, the piece yet indicates Mr. Imrie's ability to make a strong statement with a good deal of precision. And the evening is thus justified.

## The Entertainment Guide is on Page 35

some frantic phrases seemed to them, without much loss going to be incurred. The concert was completed by Tippett's oratorio *A Child of Our Time*. Again there was no want of conviction in the performance, to which the solo ladies—Jill Gomez and Anna Collins—made particularly fervent contributions. (Philip Langridge was perhaps not less fervent, but with more evident effort.) A question-mark still hangs over the central use of Tippett makes of Davies spiritual. Where Davies turns his horrified material allusions to new ends, Tippett wants the old songs to bring to his score just the force they have always had—consoling, assuaging, cathartic; and for this listener that is just what they lose when carefully planted in Tippett's very conscious setting. It's only fair to remark that many Leitzigers who revered the grand old Lutheran chorales must equally have resented the insensitive re-workings they got at the hands of J. S. Bach.

# THE CLAN MCCANNY

DIE OLD MCMISER DOESN'T GET SHOTS, MCCANNY.

MEAN OLD SKINFLINT.

BAYONET THE STAG IF IT WAS A PAPER, HES GOT POPS OF MONEY.

WAITING TO BE SWALLOWED BY CAPITAL TRANSFER TAX.

BUT AREN'T THOSE TWO HIS SONS?

THINKS THEY'RE USELESS WONT GIVE EM A PENNY.

GOOD GRIEF, HADN'T HE HEARD OF SCOTTISH PROVIDENT'S REINFORCED WHOLE LIFE POLICY?

HE COULD PUT £2000 A YEAR INTO IT AND WRITE IT UNDER TRUST. I'LL GET TOP INVESTMENT VALUE, HIGH CLAIM VALUE IF HE DIES IN THE EARLY YEARS. I REALLY SHOULD PUT HIM ONTO THIS.

RUSTLE

SNAPS

QUIET, MAN, QUIET!

BLASTED STAG! I WAS TRYING TO HEAR WHAT YOU WERE SAYING, MSHREWD!

Ask your broker or insurance adviser about Scottish Provident, or fill in this coupon. To: Scottish Provident, 6 St. Andrew Square, Edinburgh EH2 2YA.

Name \_\_\_\_\_

Address \_\_\_\_\_

SCOTTISH PROVIDENT

You call it canny, we call it Provident.

EUROPEAN NEWS

Robert Mauthner reports on the implications of the first round of French municipal election results

The hard choice the Left's gains pose for Giscard

THE SWING to the left in the first round of the French municipal elections which has been clear-cut in the larger towns but much less evident in the rest of the country has led to the drawing of some very hasty conclusions...

by a sufficient margin to win a majority of the seats in the National Assembly next year. Support for the Union of the Left is concentrated mainly in the urban areas. It has to poll more votes per member of parliament to win that do the Government parties.

improved their standing. They ousted incumbent mayors supporting the Government in nine large towns and increased the number of their councillors from 4.3 per cent. to 6 per cent. of the total.

M. Chirac will not hesitate to strike a hard bargain, and could well become the arbiter of the Government's policies, and certainly of its electoral strategy.

Major Carvalho to face Portuguese discipline board

BY DIANA SMITH LISBON, March 17.

THE EBULLIENT Major Otelo Saraiva de Carvalho, runner-up in last year's Portuguese Presidential Election, is to face discipline. The Major was head of the Copcon security command when it wielded considerable power in the heyday of the 1974-76 revolution.

Gibraltar considers curbs on banks and insurance

BY JOSEPH GARCIA GIBRALTAR, March 17.

THE GIBRALTAR Government is seriously considering curbs on bank and insurance premiums. In a budget speech today Chief Minister, Sir Joshua Hassan, spoke of "the possibility of imposing some reasonable degree of control over the operation of bank profits and insurance premiums."

Spanish amnesty widened

MADRID, March 17.

THE NEW provisions of King Juan Carlos' amnesty for political prisoners took effect today, an expression of the desire of the Crown to achieve full participation of the peoples of Spain.

Swiss industrial production steady

BY JOHN WICKS ZURICH, March 17.

INDUSTRIAL production in Switzerland last year equaled 1975, according to figures just issued by the Government. The 16 per cent. compared with the production index on an average fourth quarter of 1975, textile of the four quarters remained at production by 13 per cent. and 139 points (1963 equals 100).

PAN HOLDING S.A. LUXEMBOURG

At its meeting of 8th March, 1977, the Board of Directors finalised the accounts for the financial year 1976. The accounts show a net realised profit of US\$3,335,117.40, including a net gain realised on sales of securities of US\$3,345,048.81.

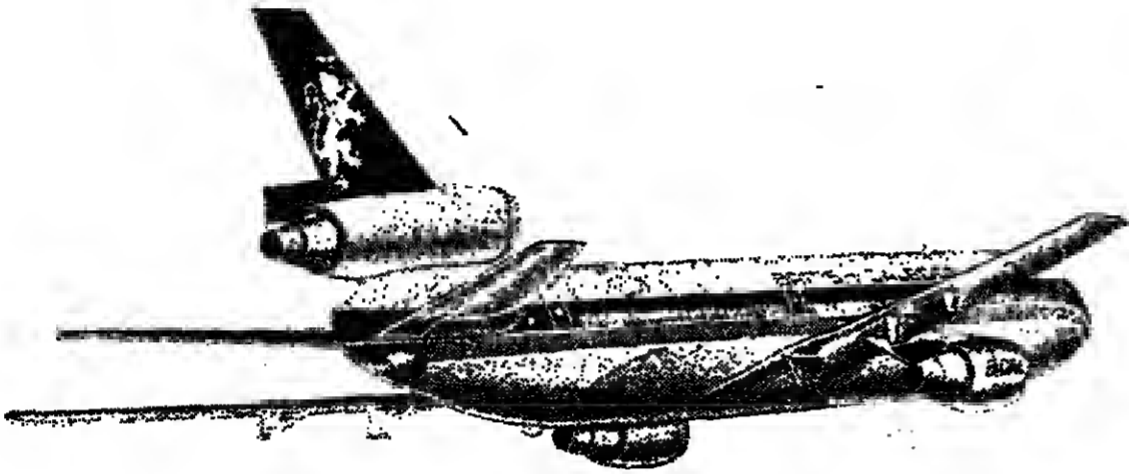
Fly in space to West Africa

From March 20th when British Caledonian introduce DC-10s to their West African routes, passengers to Lagos, Kano and Accra can enjoy the luxury of flying in the extra cabin space that a wide-bodied superjet affords.

The engines are so quiet you can hear an ice-cube drop into your pre-lunch whisky and soda. All this, and much more, creates an atmosphere of spacious ease.

Let's go BRITISH CALEDONIAN

The DC10 MCDONNELL DOUGLAS



Handwritten signature or stamp at the bottom of the page.

JPY 100/150

EUROPEAN NEWS

# EEC Commission plan for aid to poorest areas

BY GUY DE JONQUIERES, COMMON MARKET CORRESPONDENT

BRUSSELS, March 17.

THE EUROPEAN Commission has recommended that aid from the EEC's social fund, aimed at relieving unemployment and under-employment through vocational training grants, should be concentrated more heavily on the Community's poorest regions.

This was disclosed today by the Commission's responsible social affairs, Mr. Henk Vredeling. The recommendation is the main feature of a package of proposals for reforming the fund which the Commission has sent to the Council of Ministers of the Nine, which must decide in the coming months whether to approve them.

Specifically, the Commission calls on the Council to designate a limited number of poorer regions as priority areas for social fund aid. Mr. Vredeling said that Northern Ireland and the Irish Republic would almost certainly be included in this category, though it remains to be seen how other areas of the British Isles would be treated.

The Commission proposes that the fund be permitted to contribute up to 65 per cent of the cost of aid programmes in the planned priority regions, instead of the present overall 50 per cent ceiling. The balance of the cost is covered by payments made directly by national Governments of the Nine.

It is also envisaged that a bigger proportion of the fund's resources should be spent on so-called Article 4 programmes, covering regional unemployment in industries like textiles and agriculture which are directly affected by EEC policies and less on its programmes for tackling structural unemployment. At present, at least half the fund's spending must be on the second category of programmes.

In addition, the Commission proposes an administrative overhaul to require applications for aid to individual sectors to be grouped together and to permit the social fund to grant advances as soon as programmes have got under way.

# Refining capacity cut proposed

BRUSSELS, March 17.

A 14.5 per cent reduction in the EEC's oil refining capacity of about 550m. metric tons is being suggested by the European Commission in order to maintain the refinery industry's profitability.

The Commission feels, a spokesman said today, that grave problems are facing the industry because of an abnormally low capacity utilisation which is greatly endangering profitability.

On the basis of the Commission's broad ideas on how to cope with the problem, the Nine member States will be requested to authorise the Commission to draft proposals for a Community solution, the spokesman said.

He said Commission experts believe there is surplus refining capacity of about 140m. tons which may have to be closed. This objective could be achieved by completely halting construction of new capacity and by closing temporarily, or permanently, marginal installations and/or those that are less efficient.

The EEC refinery industry's current problem has both internal and external reasons, the Commission said. Existing Com-

munity overcapacity results mainly from reduced consumption of refined petroleum products. Increased demand for petrol had resulted in an imbalance in the refining structure and new competition has arisen from the creation of refining capacity in the oil-producing countries, especially in the Mediterranean area and the Middle East.

The Commission recognises that the problems are primarily for the industry to tackle but adds that governments could help by creating the necessary social, fiscal and administrative pre-conditions. This all should be done under Commission surveillance.

# Dutch protest on summit

BY MICHAEL VAN OS

AMSTERDAM, March 17.

THE DUTCH Foreign Minister, Mr. Max van der Stoep, today attacked the possibility of the EEC's not being represented at the economic summit in London next May as a "serious erosion of the EEC and of internal solidarity."

Speaking in Parliament he said: "The fact that the U.S. takes a more positive view of EEC participation at the economic summit than France puts the Community's credibility at stake."

Mr. Van der Stoep stressed that the Dutch Government solidly backed France's Minister Willem Duisenberg's warning in Brussels this week that Holland may be forced to restrict its participation in future international forums to other EEC members if the Community is not represented at the summit.

Parliament approved by an overwhelming majority a motion that EEC participation should be put at the top of the agenda at the next Council meeting in Rome. The motion warns that if this were not done, then "there may be no point in discussing the remaining points on the agenda."

Thanks to its natural gas riches, Holland is now the only EEC country besides West Germany with a payments surplus and the country has been pressing ever since the Rambouillet conference for its own and the EEC's voice to be heard in international economic matters. Today's motion from Parliament further warned that if the controversy is not solved satisfactorily Holland may review the need for the European Community to participate jointly in the North-South dialogue.

# Romanian drive to house quake homeless

ROMANIA said yesterday that it plans to build 5,000 flats in the capital and another 10,000 in the provinces to accommodate the victims of the March 4 earthquake that killed more than 1,540 people.

UPI reports from Bucharest. Another 11,300 persons were injured and an estimated 50,000 left homeless when the quake devastated the capital and nine counties. Special teams of experts have marked those houses which cannot be repaired and prepared them for demolition, the official news agency Agerpres said.

It added that 5,000 flats will be built in Bucharest in order to meet the requirements of some of the homeless, half of them to be completed this year. Another 10,000 flats are to be built in the towns of Ploesti, Craiova, Alexandria and Tirgoviste in the next two years. A further 10,000 dwellings are to be constructed in a number of devastated villages, Agerpres said.

# Turkish-Dutch pact

An agreement between Turkey and the Netherlands to co-operate on projects to create jobs was published in Ankara yesterday, Media Muntir writes from there. Signed in Ankara last November, the agreement is designed to attract to Turkey the savings of Turkish workers abroad and to try and alleviate the employment problem in Turkey. The agreement follows a similar agreement already in operation between Turkey and West Germany.

# Soviet troops plan

A Soviet spokesman suggested yesterday a freeze of the strength of armed forces in Central Europe, in an effort to make progress at the East-West negotiations on troop cuts. UPI reports from Vienna. He made the proposal, which has been suggested by the Warsaw Pact before, at the 130th plenary session of the East-West negotiations on reducing armed forces in Central Europe which began here in October, 1973.

# Yugoslav uranium

Yugoslavia is hailing at U.S. demands for it to comply with nuclear safeguards and to return to the U.S. spent uranium fuel from an atomic power plant to be built by a U.S. company. Yugoslav sources said yesterday UPI reports from Belgrade. Shipments of materials from the U.S. for completion of the plant have been held up by Washington pending resolution of the issue, the sources said.

# Poehl reaffirms Bonn's policy on aiding world economic growth

BY NICHOLAS COLCHESTER

BONN, March 17.



Herr Karl Otto Poehl

WEST GERMANY maintains that it can make more of a contribution to world economic growth by participating in the funding of deficit countries than by doing still more to reflate its own economy, Karl Otto Poehl, Secretary of State at the Finance Ministry, reaffirmed today.

He claimed that he had "barely discussed" the question of West German reflation on his recent trip to Washington. "West Germany is already expecting 5 per cent growth this year," he explained. "The margin for still more real growth is very small—perhaps half a per cent. It is not worth entering into a great discussion at the economic summit for the sake of this. There are other problems to talk about which are much more important."

the oil-producing countries would also support it.

The second topic — also concerning a strengthening of the IMF — was a possible raising of the IMF quotas. Herr Poehl said that it was now the common attitude of the EEC Currency Committee that these quotas should be raised. Those quotas would go up, and by how much, remained unsettled, but Herr Poehl said that he personally thought that the quotas of creditor countries, with strong currencies, would have to be raised over-proportionately.

On the question of raw material and commodity pricing — an important topic for the summit — Herr Poehl said that the position of the major industrialised countries, with the exception of France, was coming broadly together.

Herr Poehl stressed that Germany laid great store by the International Monetary Fund as the best mechanism for channeling finance to deficit countries. Indeed, he intimated that more important decisions could be taken at the IMF interim committee meeting at the end of April than during the economic summit in May.

The first subject for discussion by the interim committee was a possible new IMF loan-making

facility, aimed specifically at the increasing cash needs of the less industrialised countries. Herr Poehl explained. The idea had been raised by Mr. Johannes Witteveen, Managing Director of the IMF, and Herr Poehl commended that Bonn was enthusiastic about it and would be in favour of a "considerable contribution." He made it clear that a key question over the future of this idea was whether

There was now a positive approach to the idea of individual commodity price agreements, and Herr Poehl went further in suggesting that the buffer stocks for individual commodities might be pooled as an approximation to a common fund. This last remark left the impression that — in line with the U.S. — West Germany's resistance to the idea of a common fund is softening.

# Holland aid for new ships

BY OUR OWN CORRESPONDENT

AMSTERDAM, March 17.

HOLLAND'S LARGEST shipping company, NSU, said today it had placed orders for four cargo ships, at an estimated total cost of Fls.200m. (nearly £50m.) with two Dutch yards, Verolme and Glessende Noord.

The orders comprise two roll-on/roll-off vessels of about 20,000 d.w.t. each and two multi-purpose ships of 21,500 d.w.t. An option for two more multi-purpose vessels has been placed with the Glessen yard.

NSU said the ships would enter its existing services next year. If the option for the second two multi-purpose ships is exercised, these would enter service late in 1978, or early in 1979.

Dutch subsidiary of the Swedish Brostrom group, said it had signed a definite contract with Rijn-Schelde-Vereeniging for the construction of two 24,000 d.w.t. container ships also worth about Fls.200m. (including containers). They will be introduced on transatlantic service in September and December 1978 respectively. This order, too, has been made possible with state aid which means that the two ships will sail the Dutch flag and have as many Dutch crewmen as possible.

# New appeal on Czech human rights

BY PAUL LENDVAI

VIENNA, March 17.

ELEVEN former members of the Central Committee of the Czechoslovak Communist Party, including three erstwhile Praesidium members, issued a public appeal today in Prague to all European Communist parties, warning them that the repressive measures taken in Czechoslovakia against human rights activists harmed the interests of their parties and could not be regarded as an affair for the Czechoslovak party alone.

cuter adds from Moscow: Soviet prosecutors today demanded eight-year labour camp sentences for two dissident artists, Oleg Volkov (37) and Yuli Rubakov (31), accused of printing protest slogans on Leningrad buildings last year. The artists face charges of gross damage to state property, malicious hooliganism and robbery.

# Austrian GNP rises

The Austrian gross national product last year grew by 3.2 per cent, compared to 1975, according to preliminary figures, the Austrian Institute for Economic Research said yesterday. AP-DJ reports from Vienna. Austrian economic growth was considerably above that of most other OECD countries, the report said, explaining that higher exports and new stockpiling were the strongest impulse for the 1976 recovery.

## Takeover bid.

For a long time the chairman thoroughly enjoyed being driven in his BMW 3.3Li. The ride was smooth. The journeys fast and safe. The luxurious appointments satisfied his every whim. It gave him the sense of well being that he found a necessity.

However, he eventually realised that as pleasurable as it might be to be driven, it would be even better to drive.

It must have been the smile on the chauffeur's face.

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Performance: Max. speed 124mph; 0-60 in 10 secs; overall fuel consumption 24mpg (26mpg at constant 62mph).  
 Standard interior fittings include: Electric windows, sun-roof and mirrors; leather upholstery; stereo radio with automatic aerial; rear seat belts; cigar lighter and reading lights.

**PRICES**  
 BMW 2500 £7,629.00; BMW 3.0Si £9,179.00; BMW 3.0LA £9,669.00; BMW 3.3Li (shown) £13,989.00. (Prices correct at time of going to press).

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# U.S. Asian policy top of Fukuda-Carter agenda

BY CHARLES S'ATH, FAR EAST EDITOR

TOKYO, March 17.

HOW MUCH the U.S. is prepared to help Japan to normalise relations with China, and how far Japan is prepared to align itself with whatever Asian policies the Carter administration may decide to adopt, are the two main questions to be settled at next week's Japan-U.S. summit meeting in Washington.

Mr. Takeo Fukuda, the Japanese Prime Minister, who will be having his first face-to-face meeting with President Carter, is evidently willing to offer the benefit of his long experience of Asian problems. He is 20 years older than Mr. Carter and has been near the top of Japan's conservative political hierarchy for the past 15 years.

Mr. Fukuda wants to have a chance to help mould the President's attitudes towards the region while he still can. But there is nervousness here that Mr. Fukuda may overdo the role of elder statesman and sacrifice some of Japan's freedom of manoeuvre in Asian affairs.

In the past, Japan has taken pains to avoid total alignment with American policies towards Asia while remaining Washington's principal ally in the region.

The crucial regional issue to be discussed at the Fukuda-Carter talks will be Korean security and the implications of the President's announced plan for a gradual pull-out of U.S. ground troops from South Korea. Japan is officially treating the withdrawal issue as a matter for bilateral talks between Washington and Seoul but is unofficially admitting to serious concern about it.

Mr. Carter may be hoping to trade on Japanese interest in Korea by getting Mr. Fukuda to agree to a substantially increased Japanese aid programme to the park regime there but he is likely to find Mr. Fukuda reticent about this.

The problem is not that Japan is short of money but that participation in an American programme to support the South would block its chances of conducting an independent Korean policy. Japan sees its interest in Korea as to preserve the status quo while moving gradually towards normal working (if not diplomatic) relationships with both Koreas.

The next most sensitive Asian issue after Korea could prove to be the normalisation of U.S.-China relations and the effect this may have on Taiwan. Japan, which normalised its own relations with China four-and-a-half years ago but managed to retain strong unofficial ties with

Taiwan, provides a model for a new American policy towards China. This does not stop the Japanese being worried about a too rapid American push for normalisation and the possible undermining of Taiwan's security and economic prosperity.

Japan's fears on this issue were spelt out with surprising frankness by the then Japanese Foreign Minister, Mr. Kiichi Miyazawa, at a meeting in Tokyo last summer with Senator Mike Mansfield. Mr. Fukuda will be less frank than Mr. Miyazawa on this matter, if only because he has more reason not to wish to offend China. However, he may still try to convey the message that the U.S. should move slower rather than faster on the China issue.

Another major summit topic will be the world recession and the much publicised role of Japan as an "engine" of economic recovery. Mr. Carter will probably avoid going into details on bilateral issues such as the record 1976 imbalance on U.S.-Japan trade but will stress the importance in global terms of a rapid Japanese economic recovery. Mr. Fukuda is likely to take his stand on official forecasts for Japan's economic performance in 1977 which indicate a 6.7 per cent. growth rate and a reduced trade surplus.

# A hit for the Jimmy Carter road show

By Jurek Martin  
WASHINGTON, March 17.

THE JIMMY CARTER Traveling and Talking Road Show was rapturously received in Clinton, Massachusetts, last night.

The President's one-night stand at Clinton's town meeting was part of his policy of staying as close to the people as possible.

He stood alone on the stage of the small community's Town Hall, fielded with some deftness 18 questions from loyal residents, and relit the spirit of his election campaign with eulogies on love and trust and on Governments being no better than the incomparable people of America.

He did not break any new ground in his responses, which were more noteworthy on this occasion for their style than their substance. He did refer, without elaboration, to the need to provide "a homeland for the Palestinian refugees" as one of the three prerequisites for lasting peace in the Middle East, together with recognition of Israel's right to exist and the establishment of "permanent" borders.

He also vaguely hinted that Congress might be asked to initiate legislation designed to stop federal funding of abortions, but stressed that he would abide by the law of the land on abortion as it stands.

There was also a reference to the need to speak out on human rights all over the globe, including, he said, Northern Ireland. However, this remark seemed largely to have been offered because his questioner on human rights was an Irish Catholic priest who welcomed him in Gaelic.

He agreed with a questioner who contended that the courts were playing too large a role in public policy, and said this could be avoided by greater consultation between the Government, the Congress and the people, and by the appointment of judges on the basis of merit, not politics. To demonstrate that he, too, is an average man, he expressed his concern at the size of the White House food bill.

It was a folksy, ingenious performance, with strong overtones of Elmer Gantry. But no matter how much it is scorned by sophisticates in Washington, the point seems to be that it is going down hugely well in the country.

# STRONGER CHALLENGE TO FOREIGN RIVALS Canada unveils competition policy changes

BY VICTOR MACKIE  
OTTAWA

NEW COMPETITION legislation introduced into the Canadian Commons yesterday by Consumer and Corporate Affairs Minister Anthony Abbott, proposes major changes in Canadian competition policy to promote more "dynamic and effective" economic growth, strengthen consumer protection and reduce restrictive practices in the market-place.

The Minister said the legislation was an essential element in the long-term economic policies outlined in the Government's working paper issued last October, entitled "The Way Ahead," and aimed at moderating inflationary pressures and restoring international competitiveness.

Yesterday's legislation represents Stage Two of the new competition legislation. Stage One was approved by Parliament in 1975. It extended the law to cover services, outlawed a number of misleading and deceptive advertising and marketing practices and provided for civil review of several other marketing devices that could seriously lessen competition. The new bill substantially expands the civil review process to encompass a number of areas involving the structure of the economy—such as mergers, specialisation agreements and certain monopolistic practices. It also reinforces the provisions prohibiting several practices and places a new emphasis on federal regulatory agencies to take account of competition factors in carrying out their mandate. The Bill proposes that the existing Competition Act be replaced by a Competition Board consisting of up to seven permanent and five associate members. The primary responsibility of the Board would be to undertake the civil review function provided for in the Act.

The legislation would empower the Board to determine whether major corporate mergers, specialisation agreements to rationalise production and certain monopolistic practices were justified by prospective gains in efficiency and the increased ability of particular industries to meet foreign competition, despite the effect they might have in reducing market competition among domestic firms.

Similar considerations would also be taken into account in the review process to determine whether the Board should recommend that certain business charges before the courts for companies which join forces to promote increased Canadian exports abroad. The Minister said this new approach is based on a recognition of the fact that in certain industries the scale of production of many individual products is insufficient to enable Canadian firms to compete effectively with giant producers either in markets abroad or at home. The Bill spells out a number of specific factors the Board must take into account in reaching a judgment as to how the public interest would best be served. Board approval of mergers, specialisation agreements and monopolistic practices in the interests of industrial efficiency could be made conditional on government action to reduce trade or other barriers to competition.

The Board would also have authority to consider whether to sanction cases brought before it having possible anti-competitive effects which, in the view of the Board, would be in the public interest. The Board would also have authority to consider whether to sanction cases brought before it having possible anti-competitive effects which, in the view of the Board, would be in the public interest. The Board would also have authority to consider whether to sanction cases brought before it having possible anti-competitive effects which, in the view of the Board, would be in the public interest.

# First union contract at GM Louisiana factory

BY STEWART FLEMING  
NEW YORK, March 17.

IN THE wake of an agreement with General Motors aimed at facilitating unionisation of the company's plants in the south of the U.S., workers at a GM factory in Monroe, Louisiana, have just ratified their first union contract.

The agreement is another significant victory for U.S. trade unions who this year are increasing their pressure to recruit members in the rapidly-expanding economy of the south and southwest.

In its wage contract negotiations with the car industry last year, the United Auto Workers (UAW) union fought hard to secure a "hands off" agreement with the motor industry. Under the terms of the agreement, the motor companies agreed not to actively resist attempts by union officials to organise in the company's southern plants. The UAW had claimed that the motor companies were fostering opposition to union membership.

Historically, union membership has been thin in the south of the country. While this did not concern the well-established trade unions too greatly decades ago (when the major industries were concentrated in the mid-west and northeast of the country) it has become a prime concern in recent years.

Increasingly, industry has been establishing new plants in these areas—partly because it has been able to enjoy lower wage costs. Thus in the GM plant in Monroe, until the new agreement, the average production worker was paid \$5.59 an hour with a 3.5 per cent increase to

around \$7.50, comparable to the rates paid in Detroit.

For the unions the drift of industry to the south has presented a dual threat. It has reduced employment opportunities in the traditional industrial centres where their members live and has also threatened to weaken the union's historically powerful position in the industry.

But while the UAW is making some progress in unionising southern plants of General Motors, and has negotiated "hands off" agreements with other companies, including American Motors and agricultural equipment manufacturer Deere and Co., resistance to unionisation in the south remains strong. Industry fears that as union membership spreads and wage rates rise, the south may become that much less attractive to new ventures.

A key to future trends in the region is seen to be the textile industry where opposition to the Amalgamated Clothing and Textile Workers union's attempts to recruit members have been fiercely opposed, especially in the plants of the leading textile industry company, J. P. Stevens and Co.

Mr. George Meany, president of the AFL-CIO, the body roughly equivalent to the British TUC, has pledged labour's support for the textile union, which has mounted a national boycott of Stevens' products. Since 1963, when the drive to unionise the company began, J. P. Stevens has been fined \$1.3m. for labour law violations.

# El Salvador rejects aid

By Alan Riding  
MEXICO CITY, March 17.

EL SALVADOR last night joined a growing number of Latin American nations in rejecting U.S. military aid, worth about \$2.5m. per year, in protest at the State Department report on human rights violations there.

The reaction by President Arturo Molina had been anticipated following U.S. Congressional criticism of last month's elections which were won by the official candidate, General Carlos Romero, amid reports of rigging. One week after the elections, Salvadoran troops smashed opposition protests, killing between 30 and 50 youths in the centre of San Salvador.

Last week-end, an outspoken, progressive Jesuit priest, Father Rutilo Grande Garcia, from Spain, was murdered by unknown gunmen near his parish church at Aguilares. During the past month, five foreign priests have been expelled from El Salvador.

# Yale chief 'for London'

BY OUR OWN CORRESPONDENT, WASHINGTON, March 17.

MR. KINGMAN BREWSTER, 1963 he is a known Anglophile. He shares a flat in London which he tries to visit at least once a year and four years ago used to be the official candidate for President Ford's appointment as his base for a six-month sabbatical leave from the university.

Two years ago, he gave the Winston Churchill Memorial lecture at the annual meeting of the English Speaking Union in London and is reliably reported to have said on countless occasions that he believes London to be the last major civilised city in the Western world.

His reputation in the U.S., however, is based on a record of outspokenness on the question of civil liberties. Although not one of the original opponents of the Vietnam war, he was a prominent member of that band who wrote by 1965. He attracted considerable attention two years later at the time of the trial of Mr. Bobby Seale, the Black Panther leader, when he said that he doubted that black revolutionaries could receive fair judicial treatment in the United States.

# Quebec anti-inflation program

QUEBEC

THE QUEBEC GOVERNMENT has introduced a new anti-inflation program. The move follows a series of strikes and a cabinet reshuffle. The program includes a ban on price increases for essential goods and services. It also includes a ban on price increases for essential goods and services. It also includes a ban on price increases for essential goods and services.

# When you're looking for a good hotel just follow the signs

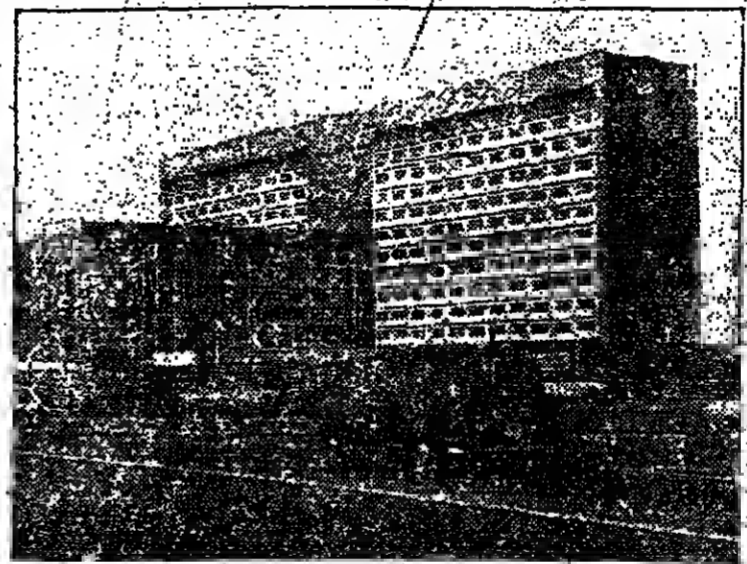
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from the celebrated Café Royal and Talk of the Town theatre restaurant to motoring and airport cafeterias and inflight catering services. And THF have growing interests in the fields of leisure and travel.

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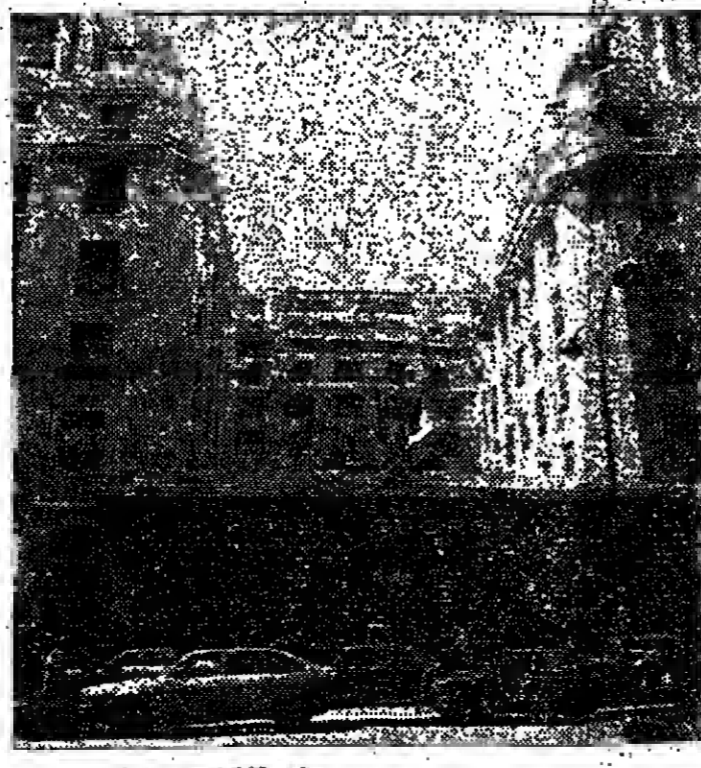
The Post House, Heathrow. The Post Houses all over Britain are well-known both for their convenience for the traveller and their excellent value. The Post House, Heathrow is no exception. It lies close to both the M4 motorway and the airport itself. It has a good restaurant, Buttery and Carvery. For enquiries, ring 01-769 2323.



The Shakespeare Hotel, Stratford-upon-Avon. This early sixteenth century coaching inn is the Shakespeare's last home, and has a delightful Shakespeare theme throughout. Rooms are named after famous characters. The 'As You Like It' restaurant, in the Tudor part of the hotel, serves pre-theatre dinners at 6.15 pm. To book a table, ring 0789 3631/3.



Grosvenor House, London. A combination of luxury, elegance and charm make this London's most stylish hotel. Situated on Park Lane in Mayfair, Grosvenor House overlooks Hyde Park. It has two restaurants, the smart La Piazza and La Fontaine, which has a name for some of the most delicious haute cuisine in Europe. To book a table at either, ring 01-499 8363.



Hotel George V, Paris. One of the world's most celebrated hotels. As much a feature of the Parisian scene as Maxim's or the Champs Elysees, near which the hotel lies. Here the service and cuisine are as much a work of art as the many priceless paintings and sculptures which comprise a permanent exhibition.



Cumberland Hotel, London. One of London's best-known hotels and a recent addition to the THF group, the Cumberland is marvellously sited overlooking Marble Arch and Hyde Park. It has no less than five restaurants to choose from. L'Epée d'Or specialises in brochettes cooked on swords, and the Carvery offers you tasty roasts to select for carving yourself. To book a table at L'Epée d'Or, ring 01-262 1234.

## The sign of a great welcome



# Hotels

### TRUST HOUSES FORTE

Handwritten scribble at the top of the page.

OVERSEAS NEWS

At least five of Ethiopia's Ambassadors have defected. Martin Dickson reports on a country...

Breaking apart

ETHIOPIA is at war with itself and the struggle for the remains could have fabled consequences for the power balance of the Horn of Africa. Since the military overthrew the feudal regime of Emperor Haile Selassie in 1974, their socialist revolution has been tearing itself apart...



In what may be a forest of more serious internal desertions, at least five of Col. Mengistu's ambassadors abroad have defected from the regime...

Aid reaches Zaire as invasion spreads

KINSHASA, March 17. ZAIRE took delivery today of U.S. and Belgian military supplies for use against a widening, eight-day-old invasion. Zaire has suggested that the invasion is led by Soviet-backed Cuban troops...

Congress supporters in Bihar openly despondent

MRS. GANDHI, the Indian Prime Minister, looking tired after nearly a month of election campaigning and with still one more day to go, flew here tonight to find despondency widespread among Congress supporters...

Castro reappears in Tanzania after delay

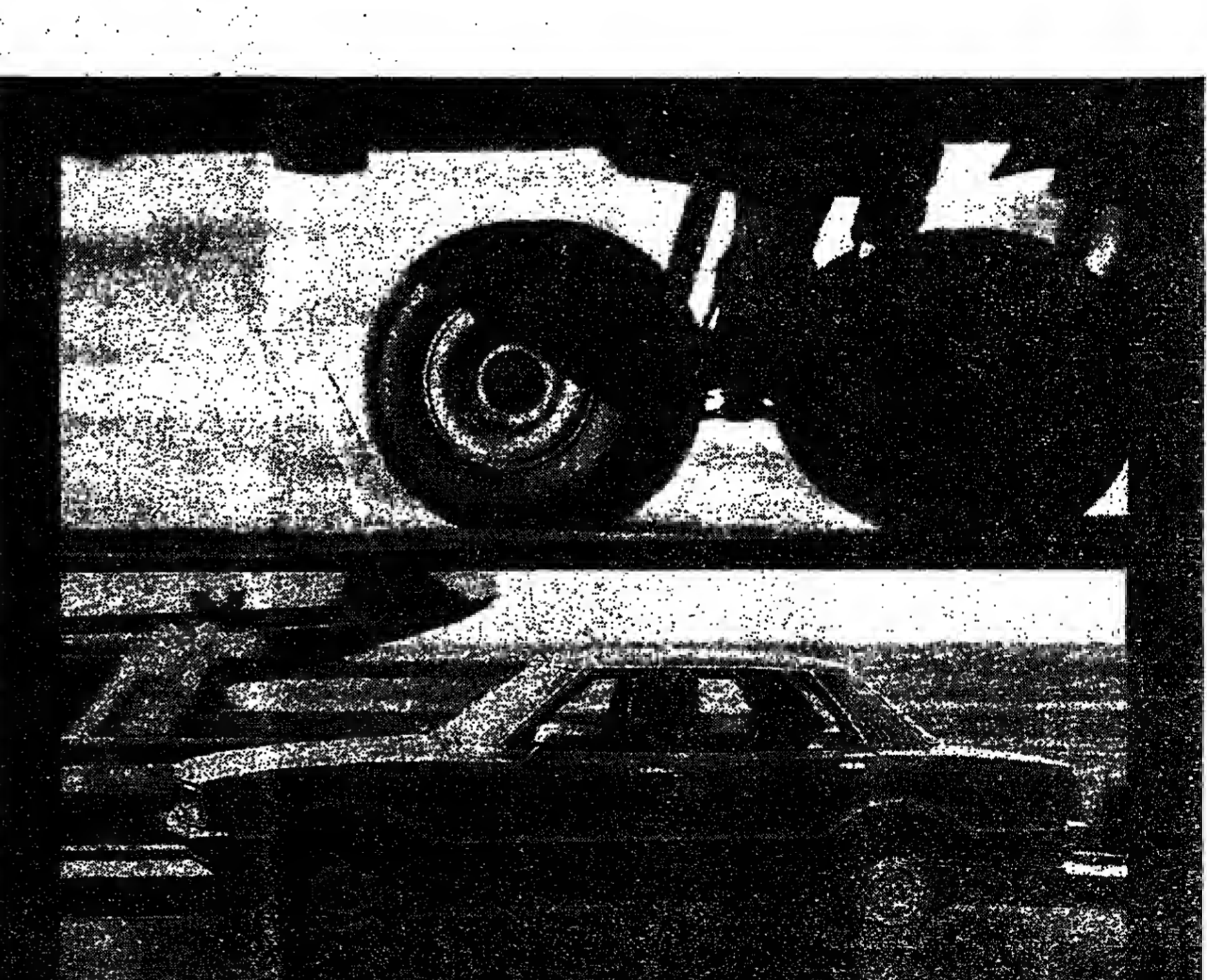
DAR ES SALAAM, March 17. THE CUBAN President, Fidel Castro, arrived here today for a five-day state visit amid continuing speculation about where he spent the last 24 hours...

Power battle in China province

A FIERCE power struggle has been in progress in China's main heavy industrial region, Liaoning province. According to the provincial radio, a leading sympathiser with the Gang of Four, Chairman Mao's widow and her three adherents from Shanghai, was arrested at a "struggle rally" on Monday...

Fears for detainees increase

A disturbing symptom of Ethiopia's malaise is the violation of human rights in the country. The Ethiopian Government is accused of torturing and killing political prisoners...



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Doubt cast on reporter's confession

A six-page article, published in the latest issue of the Far Eastern Economic Review today, hit Singapore Government and by its Singapore correspondent, Derek Davison, who is currently detained without trial under Singapore's Internal Security Act.

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**WORLD TRADE NEWS**  
**Japanese trade surplus to exceed \$10bn. for year**

BY CHARLES SMITH  
 TOKYO, March 17.

JAPAN registered a visible trade surplus of \$1.25bn. in February, the Finance Ministry announced today. It was the fourth month in the past year in which a surplus of over \$1bn. was recorded.

The February figure also makes it certain that Japan will record a surplus over \$10bn. for its 1976 fiscal year which ends on March 31. The cumulative surplus for the first 11 months of the fiscal year now stands at \$9.67bn.

The Japanese Government originally forecast in December 1975 that the trade surplus for the current fiscal year would reach \$5bn. By the end of last summer officials were conceding that the surplus might reach \$5.5bn. plus.

Private forecasting agencies however, were already saying last August that exports would exceed imports by over \$10bn. The Government apparently underestimated the size of the surplus because it assumed that Japanese imports would grow faster during the latter part of the fiscal year than they actually

did. It was not until the late autumn that surveys by the Ministry of International Trade and Industry revealed that imports were not picking up as expected.

Japan's exports in February were up 22 per cent. on a year ago, totalling \$5.7bn. while imports rose 10 per cent. to \$4.5bn. The rate of export increase, though large by standards of most other countries, is actually somewhat less than in the past few months when there have been percentage gains

of 24 in 33 per cent. over year ago levels.

This may sound comforting for Japan's trading partners but the growth of imports last month was also relatively slow by comparison with the recent past. Increases had ranged up to 19 per cent. over year ago levels during the final months of 1976. What seems to be happening, therefore, is that Japan's foreign trade is gradually losing its impetus but without any change in the pattern of strong export surplus.

The other components to the February payments balance include a \$800m. deficit on invisibles (a little on the large side and due, apparently, to a heavy spending by outgoing tourists), a \$200m. deficit on long term capital account and a \$1bn. surplus on short term capital. The overall balance of payments was in surplus by \$450m.

Foreign exchange reserves at the end of February were \$16.5bn., up nearly \$400m. on the month and nearly \$3bn. on February 1976.

WASHINGTON, March 17.

THE U.S. modified its special steel import quota restrictions today to permit EEC countries to export an additional 3,311 tons of stainless steel plate, sheet and strip to the U.S. after March 26.

The officials said that the quota, which involves reallocation of quotas that are being used by other countries, will also allow another 1,142 tons of stainless steel products to be imported from such countries as Austria, Brazil and Spain. In addition, Sweden's quota for stainless steel bars was boosted by 220 tons.

No major revisions were approved for alloy tool steel imports, officials said.

The U.S., since last June, has restricted imports of stainless steel and tool steels from Japan, Western Europe, Canada and other countries through a quota system approved by former President Gerald Ford.

The import quota arrangements provided for reallocation of unused quotas in the final three months of each quota period. While the import restrictions were imposed for a three-year period ending in 1979, the Carter Administration is considering abolishing the special steel quotas before that time. It is possible, officials said, that the restrictions will be eliminated later this year.

**U.S. alters steel import quotas**

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**HOME NEWS**  
**Defence cuts 'will hit front-line capabilities'**

BY MICHAEL DONNE, DEFENCE CORRESPONDENT

THE CUMULATIVE effect of defence cuts in the cancellation of extra squadrons of Jaguars and the major cut in the delivery rate for the long-awaited Tornado.

"The danger of such a deficit is not simply that the numbers will not be achieved quickly enough, leaving an operational deficiency, but that there is a risk that the aircraft will be obsolete before the last is delivered in the whole of the term of the development of a wide range of successors to major equipment or to about to enter service. It may prove tempting to effect savings in the short term while not producing any of the tangible front-line capability. The Army has been badly handicapped by cuts and defence budgets in the helicopter force. Battlefeld and logistic mobility has been impaired by failure to provide a medium-lift helicopter, together with a significant reduction in the capability of reinforcements in the U.K.'s capacity to provide reinforcements for the Northern Front. Both represent a significant diminution in our support force for Nato.

It is also sceptical of the ability of Governments of using the means of performance of cross-National Product as a measure of defence contributions to the Alliance.

Col Sir Harold Harrison, Conservative MP for Eye and chairman of the defence and armaments sub-committee, said yesterday: "You cannot keep on trimming the budget indefinitely without affecting the teeth."

Second Report from the Expenditure Committee, 1976-77, *Currency Effect of Cuts in Defence Expenditure*, Commons Paper 294, 50, £1.6a.

**District heating 'cannot compete'**

BY David Fishlock, Science Editor

DISTRICT HEATING based on the use of stations to provide heat as electricity cannot with conventional methods, a government spokesman has said.

The spokesman, who is quoted as saying that 10 per cent. returns on investment required by the T. That is the ongoing inclusion of a working part sending enthusiasts for heating as well as the electricity and coal industries. "Nevertheless the technology developed yesterday by the Department of Energy, its combined heat and schemes based on modern stations would make such a case for district heating as a 3 per cent. — or an 11 per cent. — relative to fuels."

The working party of that it would cost about £100 million to install in the first district heating plants in London. A pilot scheme with 83 per cent. penetration would cost £500m. and from Science experience would take years.

In such a change, the spokesman concludes, the way is of exploiting combined heat and power would be more attractive than district heating plants installed wide and large cities. In heat transmission the power station in city centres would be more attractive than the report that the agreed numerical basis, sing schemes in an area previously confused by arguments about the "wasted" by the electricity industry.

**Mission shows interest in Airbus**

BY HENRY SCOTT STOKES  
 PARIS, March 17.

THE 60-MAN Japanese trade mission which arrived here ten days ago has had a "snapper reception" from the French, according to the leader of the mission, Mr. Taiisuo Mizukami, president of the Japan Foreign Trade Council.

Whereas the Japanese mission to Europe last October, sent in response to European complaints about the Japanese trade surplus with the European Community, had a rough time this new attempt to patch up relations with Europe was proving a success.

Mr. Mizukami's remarks, which were made in an interview, indicated a strong commitment over the reception accorded them by the French Government and the Parliament. They came here expecting brickbats and have received accolades.

The mission is preparing the ground for important projects in the aviation and car industry. Mr. Mizukami stated that the Japanese had been "extremely impressed" by their visit to Airbus Industrie in southern France.

At a presentation made on March 11, Airbus Industrie, of which Aerospatiale and Deutsche Airbus are the main backers, proposed co-operation between Airbus Industrie and Japanese companies on existing types of the Airbus and a very comprehensive joint programme on new aircraft.

The Japanese were invited to provide operating equipment such as seats and galleys for aircraft ordered by Japan (the

possible customers are AN Nippon Airways, and Toa Domestic Airlines). And they were asked to join in design, testing, manufacture and sales of new types of Airbus.

Mr. Mizukami said that his own feeling was that there would be Japanese orders for the Airbus. Mr. Hiromasa Kimura, a leading aviation expert, had told him that the Airbus was the most economic aircraft in the world.

Japan might also take a share in the Airbus project (in which Spalio has a 4 per cent. interest). It was irrational in such an important aviation endeavour, while Japan—which has a far larger civil aviation fleet—had no part in it.

**U.K. exporters expect growth to continue**

Financial Times Reporter

BRITAIN'S MAJOR exporters expect continued growth, according to the latest export prospects survey carried out by the Department of Trade.

Forecasts of volume increases for the first half of 1977 are being revised upwards from the last survey.

Major exporters now suggest that in the second half of 1977 the export volume will be 12 per cent. higher than in the same period in 1976.

The value of exports in the first half of 1977 is expected to be around 30 per cent. up on a year earlier, with an easing to 27 per cent. in the third quarter comparison.

According to the Department of Trade, the broad picture which emerges from the present survey is one of continuing buoyancy in the volume of total exports in the first half of 1977, but the path into the third quarter is difficult to assess.

In the survey, the period covered was the fourth quarter of 1976 in the third quarter of 1977. Replies were received from 64 companies and the returns covered three-quarters of the total value of U.K. exports.

**Election for Europe MPs urged**

By Ray Perman, Scottish Correspondent

THE British Government would be sabotaging the European Parliament if it failed to put forward legislation on direct elections, Mr. Christopher Gedge, Labour MP for Glasgow, said yesterday.

Speaking to the Scottish Europe group in Edinburgh, he said: "There can be no question whatever about the need for a directly elected European Parliament."

As the Community develops, and especially as the budget increases in size, the importance of making the Community institutions directly accountable to the people of Europe and of honouring the basic principles of no taxation without representation, becomes ever more evident.

"Let there be no doubt whatever that only a government which respects the principles of democracy and which has a direct mandate from the electors by voting to bring forward the necessary domestic legislation will be depriving both its own citizens and those of the rest of the Community of what ought to be an indispensable political right.

"Government is committed in use to 'best endeavours' to secure direct elections, but Mr. Ron Hayward, the Labour general secretary, has warned that opposition within the party could cause a split. A special conference may be held to discuss the issue.

Turning to aid from the EEC, Mr. Tugendhat said that Scotland had received £300m. and this trend continued in the 1977 allocations from the regional fund.

**Pension plans 'face State hurdles'**

BY ERIC SHORT

DOUBTS ON the Government's willingness to support development of good occupational pension schemes were expressed by Mr. T. N. Risk in his chairman's annual statement to the shareholders of Standard Life Assurance Company yesterday.

Mr. Risk said that the Government's policy of restricting the number of schemes was "unjustified, but also a setback to its anti-subsidary warfare capability."

The RAF had suffered a "serious impairment of its strike and offensive support capability" as a result of the cancellation of the Hawk-XII project.

Second Report from the Expenditure Committee, 1976-77, *Currency Effect of Cuts in Defence Expenditure*, Commons Paper 294, 50, £1.6a.

**Export financing alternative**

By Margaret Hughes

WHILE BRITISH exporters are still grappling with the intricacies of the new ECGD foreign currency scheme, Finance Act 1977 and undertake by a small margin the 100,000 units sold last year.

Growth patterns by 1981 are predicted by the group to be 25 per cent. gain: 40,000 wheel loaders, or a 20 per cent. increase; 25,000 wheeled or crawler excavators—mostly the latter—up to 20 per cent. rise.

M-F's president Mr. Albert A. Thornbrough said at an equipment exhibition in Munich that "M-F intends to take full advantage of that market growth by doubling our current level of unit volume world-wide by 1981."

Sales by the group of this type of equipment should approach \$750m., nearly twice the 1976 level. Last year's sales of industrial machinery by M-F totalled \$380m., an increase on 1975. "In the fourth quarter of last year, we were selling at the rate of \$500m a year—a level we will be striving to maintain throughout 1977," Mr. Thornbrough added.

M-F's activity in Europe was greatly expanded by the acquisition in 1974 of Hanomag. Since then, stated Mr. Thornbrough, more than 11,000 jobs had been added at Hanomag's Hannover plant and investment totalled DM150m. (roughly \$19m.), unit production was up 60 per cent. and day more than 60 per cent. of Hoover production is exported, compared with 37 per cent. when M-F took over.

**Machinery recovery forecast by M-F**

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

MASSEY-FERGUSON, estimates that the total market for industrial construction machinery should recover during 1977 and overtake by a small margin the 100,000 units sold last year.

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**Textile talks suspended as EEC balks**

By David Epli

GENEVA, March 17.

DISCUSSIONS on the final modification of the 1974-75 Fibre Arrangement (MFA) governing world trade in textiles has been suspended here for the month. The EEC, not yet in a position to negotiate because of differences among member countries, resisted a move by the chairman of the GATT Textiles Committee, Mr. Oliver Long, to reconvene the meeting in 10 days.

A spokesman for the Community felt that it would be preferable to meet only when the participants were ready to negotiate, indicating that he did not expect an early resolution of the differences in approach to the textile arrangement within the Community.

Two days of talks have changed little in the basic lineup of countries in favour of a renewal of the MFA, which expired at the end of this year and which would like to see a renegotiation of certain key issues such as the base rate for permissible growth in imports, developing countries, including the textile exporters, as well as Japan.

Switzerland would want to see the intricate arrangement opened to renegotiation.

**Ceremony off**

CHEVRON has postponed indefinitely the naming ceremony for its Indian Field platform, affected by a strike at the oil company's onshore site in Scotland.

The 250m platform was due to be named New Southern on March 28 by Lady Wright, wife of Sir Rowland Wright, chairman of ICI.

North Sea Oil Review, Page 12

**Ruling in lost clothes case**

A CLAIM for compensation for damage to an airline passenger's luggage in transit can include the loss of part of the contents, a High Court judge ruled yesterday.

Mr. Justice Kerr was giving judgment in a test case intended to resolve differences of view between the insurance market and airlines about the effect of the Warsaw Convention on international carriage by air in cases of loss of contents of passengers' baggage.

He held that Mr. John Fenwick of New House, Whittle Road, Colchester, Essex, was entitled to succeed in a claim for £150 for the loss of a shirt, a pair of sandals and a necktie as well as for £12 for damage to his suitcase.

Mr. Fenwick reported the damaged suitcase to an airline official immediately after his flight from Italy to Luton in March 1975. But his complaint about the lost clothing was not made until about a month later.

Mr. Fenwick sued Moorabon Airlines, who admitted liability for the damage but not for the loss. The airline contended that the loss claim should have been made within seven days.

**Conclusive**

The report shows the irreparable loss of a large-scale combine and power schemes for centuries when world fast progress in the very heart of the world is likely to be devoted.

Dr. Walter Marshall, scientist at the Dept. of Energy, said yesterday: "I am writing to you under the membership of Dr. John W. Marshall, who is a member of the Central Electricity Board, has had the pleasure of reading your discussion paper. It shows clearly that if combined heat and power were left to forces, nothing would be achieved. It would be a waste of money and energy. It would be a waste of the U.K. would regret its in the next century."

An argument which Marshall reflected, however, that because combined heat and power were used in other countries, it must be tried; and that any rejection would be a waste of money because it would be a waste of the U.K. would regret its in the next century.

**Scottish job for planner**

By Ray Perman, Scottish Correspondent

THE SCOTTISH Development Board has appointed Edward Cunningham as head of the India division in the World Bank, in a £10m. planning unit.

In its next phase, the board will seek an interest in the economy which is felt to be strengthened, an Cunningham will be responsible for co-ordinating thinking which industries it should port.

**Besta move intensifies shipping row with USSR**

BY ROY ROGERS

THE GROWING row between Russia's state-owned shipping lines and the international shipping conferences intensified yesterday with the Russian Besta Line stepping up its freight services between the U.K. and East Africa.

In common with the North Atlantic and Trans Pacific conferences, the Europe-East Africa conference has been complaining recently of undercutting of up to 30 per cent. by the Russians.

Negotiations have been held between the Europe-East Africa conference and Besta, which has been seeking to join the conference, but there have been broken off without agreement.

The conference lines accuse the Russians of introducing speculative services in areas already covered amply by existing services and where actual Russian tonnage is often minimal.

Those who view the Russian shipping lines as merely part of the Russian Navy — see the growing role of the Russian merchant fleet as a strategic asset as commercial threat.

From the beginning of May, the Besta line plans to step up its services to East Africa ports of Mombasa, Tanga, Dar-es-Salaam and Port Louis to two a month although present sailings from Hull will be halted. The declared aim is to offer increased space to U.K. shippers.

Besta, which recently increased its rates by 14 per cent., maintains that its charges are calculated on a purely commercial basis although it does admit that these are often as much as 20 per cent. below conference rates.

Variable rate increases designed to produce an overall increase of 12.5 per cent. were announced yesterday by the U.K. Red Sea conference lines representing companies trading between the U.K. and the ports of Alexandria, Suez, Suez, Hodeida, Mocha, Berbera and Minkala from the beginning of June.

**U.K. orders at Caracas top \$2m.**

BY JOSEPH MANN

PARTICIPANTS in the British exhibition of British private security equipment being held here reported sales of over \$2m. after only two days of public attendance, and prospects are excellent for a good deal more business during the next few days.

Britain's first major industrial fair in Venezuela, offering 200 exhibitors representing a wide spectrum of British goods and services, was opened on Monday night by the Duke of Kent and President Carlos Andrés Pérez. Venezuela's chief executive, attending the opening ceremony was a contingent of high Venezuelan officials, including Luis Alvarez Dominguez, Development Minister, Octavio Lopez, Interior Minister, and Sr. Diego Arias, Minister of Information and Tourism, as well as a number of representatives of British private security equipment companies.

EMJ Medical Overseas announced the sale of an EMJ body scanner valued at \$500,000 to a hospital in Bogota, Colombia, while Aveling Barford reported the purchase of 13 units costing about \$1m. (Aveling Barford sold a Venezuelan company ten Coustar 35-ton dump trucks and three TS-500 wheel loading shovels.)

Exhibitors were generally quite pleased with facilities at the Caracas Pledoro, a large, ultra-modern steel and concrete dome housing the trade fair.

Aside from the exhibitors themselves, several hundred visiting British businessmen and scores of potential buyers from Latin American countries outside Venezuela competed for rooms at Caracas Hotels. Hotel space in this capital of three million is very scarce here, but this week's exhibition has the city's hostels splitting at the seams.

At the exhibition hall, attendance has been moderate but no one seems to be complaining. "We're not inundated with people," said public relations consultant Martin Kinna, "but they're just the kind we like to see."

Among other transactions reported this far JCB Sales sold a crawler-excavator and two excavator loaders worth about \$120,000. Several local JCB distributors have placed orders amounting to \$1.7m. this week alone in anticipation of future demand in Venezuela. Mr. W. Gerber, JCB regional director for South America, forecast sales of some \$10m. for the area this year, up 55 per cent. from 1976.

A concert selling prefabricated houses, Blackburn Fourroads Group of Lancashire, had a request from a potential client on the possibility of supplying 12,000 units. At \$7,500 each the Lancashire company stands to make a \$90m. sale if the deal goes through. Other companies with early sales included: Clarke and Stobbs, a Northampton-based firm; and Morantz Thermal Design.

The Caracas Exhibition, which will run until March 26, is being sponsored by its own participants, the British Overseas Trade Board and the Economic Commission for Latin America. The affair, costing around £2m. is the biggest expenditure planned this year by the BOTB.

**Senior executive changes at J. Lyons**

Mr. N. L. Salmon is to become chairman and Mr. L. Badman managing director of J. LYONS AND COMPANY from April 1.

Mr. B. L. Salmon, who has been with the company nearly 42 years, has been appointed financial director, a post he will retire from on June 30 on reaching normal retirement date and will retire from the Board. To enable consequential appointments and changes to responsibility to take place at the beginning of the financial year, he has tendered his resignation from the office of chairman from April 1. Mr. L. F. Salmon, who gave up executive duties four years ago, will retire from the Board on April 1 after 48 years with the company.

It is the intention of the Board to appoint external non-executive directors during the next few months.

Mr. J. J. Briggs, a main Board director of European Ferries, has been appointed managing director of TOWNSEND CAR SERVICES.

Mr. John Parsons has become deputy managing director at Allen AEREX following the retirement of Mr. J. F. Macdonald.

Mr. David Tiplady and Mr. David Phillips have joined the Board. The appointment of Mr. Tiplady is a non-executive and he has been made chairman. Mr. Phillips has executive responsibility for production.

Mr. J. Ross McElbain, joint managing director, Whittington, is in charge of March 31 but will remain in charge of the non-executive director.

Mr. E. D. Davies has become managing director of EMI Sound and Vision Equipment. He was previously director of Planning on the staff of Mr. R. F. Thornhill, director of EMI International Electronics. Mr. N. F. Nicholson has been appointed financial director, EMI Leisure Enterprises, director of EMI Leisure Enterprises, director of EMI Leisure Enterprises, director of EMI Leisure Enterprises, director of EMI Leisure Enterprises.

Mr. E. J. Gordon will be resigning as director of ROBERTS LINDSAY AND COMPANY on March 31 and will be joining the corporate finance department of LINDSAY AND CRITCHERMAN & CO. OF BIRMINGHAM AND LONDON.

Mr. F. Rods has been appointed chairman of AMEV LIFE ASSURANCE in succession to Mr. J. P. Bol. who has retired. Jean-Pierre J. V. 750 der Boes de Villebois has joined the Board.

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JP 1/10/77

# ITT could do its research anywhere in the world.

# So why on earth choose Britain?

Like most major companies, ITT invests a lot of money in research.

What makes ITT's research spending so interesting, however, is not simply how much is invested, but where.

After all, with operating companies in 92 countries around the world, ITT could pick almost anywhere to set up research facilities.

Or perhaps, with its headquarters in New York, ITT might have decided to put all its research eggs in the American basket.

But it didn't.

Two thirds of ITT's own research is done in Europe.

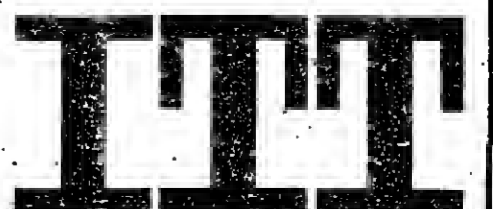
And its largest European research laboratory is in Harlow, Essex.

During 1974 and 1975, ITT spent almost £25 million on British research and development. The 1976 investment should bring the three year total to about £40 million, involving around 2,000 scientists and engineers.

But why Britain?

Quite simply because ITT's experience has demonstrated time and again that, given the resources, the support, and the follow-through that it needs, British technology still rivals the best in the world.

And ITT has 200 new British patents a year to prove it.



# HOME NEWS

### ROYAL ASSENT GIVEN TO STATE CONTROL BILL

## Resignations may delay dockyards vesting day

By JOHN WYLES, SHIPPING CORRESPONDENT

FRESH APPOINTMENTS to the organising committee of British Shipbuilders, together with the long-awaited announcement of where the new corporation's headquarters will be, are expected shortly.

The Royal Assent to the Bill nationalising the aircraft and shipbuilding industries was given yesterday.

Formal creation of British Shipbuilders and transformation of most of its organising committee into main Board members is likely in about a fortnight.

The actual date for vesting of the Corporation with ownership of the 27 shipbuilding and marine engine-building companies is still uncertain and may not be till mid-July.

This is largely because the upheavals of the last few months, which began with the resignation of the chief executive-designate, Mr. J. Graham Day, have left the organising committee in need of time to make the necessary preparations for vesting.

Because of resignations the directorships of corporate planning, industrial relations and finance are vacant, and a hasty search is on for replacements. Under the Act British Shipbuilders cannot be formally incorporated by the Government without a Board of seven under its chairman, Admiral Sir Anthony Griffin.

Two of the seven members of the organising committee have resigned, which means fresh appointments. These are likely to be part-time appointments. Two names being confidently tipped are Mr. Tim Melver, managing director of Swan Hunter, the largest shipbuilding group, and Mr. Cameron Parker, managing director of John G. Kincaid, the Scottish marine engine-builders.

Mr. Michael Casey, acting managing director of the organising committee in succession to Mr. Day, is expected to be appointed chief executive of the Corporation at a salary of more than £19,000.

Welcoming Royal Assent yesterday, Mr. Casey, until recently Under-Secretary at the Department of Industry's shipbuilding policy division, said public ownership would give the Corporation "a chance to make a viable and efficient industry."

He determined that we should seize the opportunity and with the full co-operation of all concerned I am sure that we will succeed."

The Government is pledged to site British Shipbuilders headquarters in a traditional shipbuilding area, and it looks increasingly likely that this will be the North-East.

Mr. Day's resigning committee recommended Merseyside, which it thought had access to better communications, but North-East MPs and councillors have mounted a tireless lobby for the next 12 months, which is bearing fruit.

The Corporation will in any case set up a London base to be near the main shipbuilding companies and marine services.

Mr. Michael Dove, Aerospace Correspondent, writes: Formal establishment of the British Aerospace Corporation is expected to be announced next week by the Department of Industry, following the Royal Assent yesterday.

It is expected that the Board of the Corporation will be broadly the same as the Organising Committee, under the chairmanship of Lord Beswick, with Mr. Allen Greenwood as a deputy chairman. The Committee has been preparing for nationalisation for the past year or so.

Compensation arguments are outside Lord Beswick's province. He becomes responsible for the day-to-day administration of the industry.

He has already said that there will be no immediate and dramatic changes in the industry's structure. But eventually he envisages creation of two major groups, one comprising all the industry's civil and military aircraft activities, the other the guided weapons and space activities.

Among Lord Beswick's immediate tasks will be creation of a long-term strategic plan for the industry, including arrangements for design, development and manufacture of a new generation of civil aircraft for the 1980s and beyond, probably involving a substantial measure of international collaboration.

Under the Act the Aerospace Corporation will have borrowing powers of up to £250m, with special provision for up to £50m more for the design development and production of civil aircraft.

In addition to Lord Beswick and Mr. Greenwood (chairman of BAC), the members of the Organising Committee are Mr. Bernard Friend (finance); Mr. Leslie Buck, general secretary of the Sheet Metal Workers' Union; Dr. G. H. Hough, deputy managing director of Hawker Siddeley Dynamics; Mr. G. R. Jefferson, chairman and managing director of the Guided Weapons Division of BAC; Mr. F. W. Page, chairman of the civil and military aircraft divisions of HSA; Mr. John T. Stamper, technical director of HSA; and Dr. Austin Pearce, chairman of Esa.

The way will then be clear for the Department to begin detailed discussions with shareholders of the nationalised companies—Vickers and General Electric (for BAC), Hawker Siddeley Group (for HSA and HSD) and the Laird Group for Scottish Aviation—on principles of compensation for the assets acquired by the State.

The formula in the Act (Clause 37) is that for quoted securities compensation will be based on the average of quoted values (of shares on each Wednesday in the six months in February 27 1979).

None of the aerospace companies has publicly quoted shares, all being wholly owned by the groups mentioned above.

The Act provides for compensation issues to be settled by negotiation between stockholders' representatives and the DoI, and failing agreement by arbitration.

## Energy trends 'horrifying'

By KEVIN DONE, INDUSTRIAL STAFF

A "HORRIFYING picture" of the emergence of future world energy demands if past trends are projected into the future, according to Mr. Charles Ryder, head of energy conservation technology at the Department of Energy.

World energy growth was increasing in the 1960s at the rate of more than 5 per cent a year and oil demand was increasing at the rate of 7 per cent a year, he told a London conference yesterday.

than had been used in the previous 50 years.

The conference, sponsored by the Confederation of British Industry, was on Saving Resources in Industry—now and in the 1980s.

Ryder said that this applied more specifically to the possible shortage of the two convenient fossil fuels, oil and gas. "The simple fact is that the rate of discovery of new oil and gas reserves is falling while at the same time production and consumption are increasing."

Historically oil and gas reserves had represented 20 to 30 years consumption and this ratio was maintained until the early 1970s by new discoveries. But without corrective action the growth of demand suggested that this ratio for oil would be down to the 1960 years by 1985.

## Access to 1.2bn. barrels of oil by 1981'

By Ray Dafter, Energy Correspondent

THE BRITISH National Oil Corporation will have access to more than 1.2bn. barrels of oil a day by 1981—the equivalent of two-thirds of present U.K. oil consumption—according to reports.

Through this interest, the State corporation will be able to influence the way that much of North Sea oil is sold and used. It will also pave the way for the corporation to become a large crude oil marketer in the 1980s.

This prospect could cause oil companies some marketing problems, says Robert Wood Mackenzie, a senior executive of the corporation. "It could not be ruled out that the corporation might decide to become a large crude marketer in the 1980s, offering a range of erodes to refiners for sale or return. In view of this, North Sea producers might have difficulty in arranging long-term sales contracts."

Wood Mackenzie adds that the corporation is anxious to achieve the status of a commercial oil company wherever possible.

The report shows that the corporation will have access to up to 1.2bn. barrels of oil in 1981, the equivalent of 54 per cent of total North Sea production in that year.

The corporation embraces the corporation's equity interest in such fields as Thistle, Ninian and Marchion. It also includes oil which can be taken in lieu of royalty, oil earmarked to the corporation under participation arrangements, and oil which the corporation has agreed to buy from the British Gas Corporation.

About 238,000 barrels a day of the 1981 total are subject to buy-back arrangements with Shell, Esso and Mobil, have gained the right to buy back participation erodes for use in their refineries.

## Governments told of for shipyard closures

By JOHN WYLES, SHIPPING CORRESPONDENT

A UNIQUE appeal to governments of the world's major shipbuilding nations to face the need for widespread shipyard closures, has been delivered by an international forum representing both shipping and shipbuilding companies.

In a paper sent to the Organisation for Economic Co-operation and Development and to 33 governments, the International Maritime Industry Forum gives a warning that world shipping is seriously threatened by measures which encourage yards to build ships for which there is no need.

This message is not new to most governments who have heard it from their own shipowners' representatives. But the IMIF's endorsement gives it greater significance because it represents the combined view of many of the world's leading banks, oil companies, shipowners and shipbuilders.

Formed at the beginning of last year to promote possible solutions to the world tanker surplus, which is partly responsible for shipyard overcapacity, the IMIF has steadily broadened its view to take in threats to the balance between supply and demand in other sectors of shipping.

Sir James Duncann, chairman of IMIF, said in London yesterday that the world's many governments were preoccupied with the predicament of their shipyards, which were seriously concerned about the prospects for their shipping industries.

As a result the IMIF stresses in its paper "the social, economic and financial consequences of sustained imbalance in many sectors of the shipping/shipbuilding industry are closely inter-related. They must not be considered in isolation from each other."

In particular stresses that the world tanker surplus, which is partly responsible for shipyard overcapacity, the IMIF has steadily broadened its view to take in threats to the balance between supply and demand in other sectors of shipping.

In a two-point IMIF says that ship port for shipbuilding be given after a of all the alternatives of maintaining employment.

Governments using an orderly capacity based on re-facilities for which clear commercial support should aim ships for which demand firm demand coastal vessels, naval and ferries, naval and other specialised sh

## Builders oppose cut in homes tax relief

By Ian Hargreaves

LABOUR PARTY proposals to reduce the level of tax relief for many home-buyers are firmly rejected by the house-builders today in their pre-Budget representations to the Chancellor.

Earlier this week the National Executive of the Labour Party called for mortgage tax relief to be limited to the level received by standard rate taxpayers, with the ceiling reduced to a level reflecting average house prices.

The Prime Minister said the proposals were "interesting" and would be examined, though it is not expected that any moves will be taken until after publication of the Government's long-awaited housing policy review.

The House Builders' Federation has told Mr. Healey that it thinks nothing should be done in the Budget or at any later Land Tax. It is calling for the stage to limit availability of tax relief on mortgage interest pay to no more than 30 per cent.

Because average house prices have risen the £25,000 tax relief limit should be raised to £32,500.

## Builders oppose cut in homes tax relief

By Ian Hargreaves

There was "no answerable case for switching the total housing problem" in the direct of the private sector and away from local authorities, especially in view of the over-riding need for the Government to reduce public spending.

The builders also want the Government to restore the local authority home loan programme, which has been steadily reducing average house prices cut as part of the overall public expenditure reductions.

Expenditure in 1978-79 is planned to reach only £1,688m, against £2,239m in 1974-75. In the last two years local authority house building has fallen from 11 per cent to 2 per cent of all market advances.

The federation wants a quick reduction in the Development Land Tax. It is calling for the rate to be cut from 66 per cent to 60 per cent, or to 50 per cent.

Many important rail services are equally vital. On certain key lines investment beyond sidings for London and East and freight det the board is still case vigorously.

## Rail cuts over policy

By Ian Hargreaves

Mr. Peter Parker, British Rail, is expected tonight to renew tensions between it and the Department of Transport over rail in the May Transport Bill.

In a speech to the Institute of Transport he will stress that a is concerned, the Department is 57mp that he is not expect to slash investment in railroads the tube railways.

Senior civil servants Department of Transport are particularly angry at such developments, appeared during a exercise on the Whit the weekend.

Many important rail services are equally vital. On certain key lines investment beyond sidings for London and East and freight det the board is still case vigorously.

Investment on Monday Mr. F witness the unusual an agreed presentation on the board at rail unions.

The principal point will be that a long-term plan would worsen standards and maintenance in fact the post rail board and the board is preparing the investment freeze whereas the unions a ring an immediate increase of £30m a year.

The unions are at at British Rail's long to cut much of the rail in their first consultation with senior board yesterday, MPs speak since direct spokes 4 attacked this aspect board's policy.

## Bank resists motion on S. Africa

By Michael Blanden

MIDLAND BANK will continue to observe a "strict political neutrality" in all its dealings, subject to U.K. legislation, says the chairman of the bank today in his annual report.

The chairman's comments are made in response to the renewed pressure on the bank over its loans to the South African Government, a resolution is again to be put forward at the bank's annual meeting requiring the bank to make no further loans to the South African government, its agencies or state corporations.

The resolution is supported by a statement by Mr. Ilyd Harrington, deputy leader of the Greater London Council for holders of over 900,000 shares. Asking shareholders to oppose the resolution on South Africa, Lord Armstrong said that the view expressed is a political one: "thus the right course for those who hold that view is to urge it upon the governments concerned and not the banks."

## Summer crowd problems likely at Heathrow

By Ian Hargreaves

PASSENGERS using Heathrow Airport, London, this summer will again find it congested as a result of increased traffic and build-up operations in the central terminal area.

Mr. Kenneth Walter, the airport's director, said yesterday that difficulties were bound to continue this summer with an extra 1m. passengers expected, but he hopes that by the end of the year the position would have started to improve.

This summer's problems had been eased by a re-scheduling of flights in iron oil peaks, but passengers and visitors should avoid arriving between 7.30 a.m. and 1.30 p.m. if possible.

Mr. Walter also asked people meeting passengers or seeing them off not to bring the whole family. There has been a 10 per cent increase in the number of vehicles waiting at the airport last year, and 1m. vehicles 71 per cent more than in 1975.

The airport expects to receive 24.7m passengers in the next financial year, against 23.9m in 1976-77. Mr. Walter also warned that in the past forecasters had tended to underestimate increases in traffic.

## GKN in motor components venture

By Terry Dodsworth

THE GROWING interest in light weight materials for the motor industry has led to a joint venture between GKN, Keen and Nuffields, Britain's largest engineering company, and Bristol Composite Materials (BCM).

## Canning Town Glass back in profit

By KENNETH GOODING, INDUSTRIAL CORRESPONDENT

CANNING TOWN GLASS, a long-term technical assistance agreement has been signed with Hermann Heve of West Germany for the provision of technological support and know-how on an exclusive basis.

The company has been restructured under a new managing director, Mr. Bruce Scott, who took over in the middle of last year. The final stage of the reorganisation of accounting and administrative functions would involve the closure of the London office at the end of the month.

This would mean about 20 redundancies—Canning Town employs about 1200.

The volume of Canning Town's output going to Bell's had been cut from 18 to 8 per cent.

Canning Town is the fifth largest of the U.K. glass container-makers with sales in 1978 of nearly £13m.

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## Small is beautiful

By ROY HODSON

BY INVESTING \$30m in an iron ore direct reduction plant on Thysoide, the companies involved are pinning their faith upon a new technical route for converting iron ore into iron and steel.

The participants, Consolidated Goldfields, Tube Investments, Manchester Steel Company, Sheerness Steel Company and Fiat, have all approached the project for different commercial reasons but all share the common ground that they wish to back the direct reduction route to steelmaking.

Classical steelmaking as practised by the biggest world steel plants depends on employing a blast furnace to convert a mixture of iron ore and coke into iron.

The rule of thumb is that the bigger the furnace the cheaper the iron. The State-owned British Steel Corporation is building two giants to make 10,000 tonnes of iron a day each.

The blast furnace iron is reheated and refined into steel in other furnaces. Open hearth furnaces have now largely been replaced by fast and efficient steelmaking vessels into which oxygen is blown to speed the process.

Whereas an old open hearth furnace takes more than eight hours to reduce a charge of iron to a new basic oxygen vessel can do the job in 40 minutes.

All that technology is side-stepped neatly by the new steel-making route to which the Thysoide direct iron reduction plant will be linked.

The iron will arrive in giant carriers of 150,000 tonnes or more, which enable a saving of at least £5 a tonne over the 20,000-tonne ore carriers which have been traditionally used for ore imports into Britain.

Then the ore will be put through a form of coking in a blast furnace.

The process of direct reduction has been rapid. There are now several different technical systems competing for the attention of the international steel-making industry. It is particularly attractive to developing nations wishing to set up independent steelmaking plants of their own.

Whereas a blast furnace and steel furnace—the "hot metal" route—should be of more than 4m tonnes annual steelmaking capacity to produce steel competitively, the direct reduction route permits a viable steel-making installation producing no more than about 1m tonnes a year.

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# EMPLOYERS

## You should know about the Job Release Scheme for Assisted Areas.

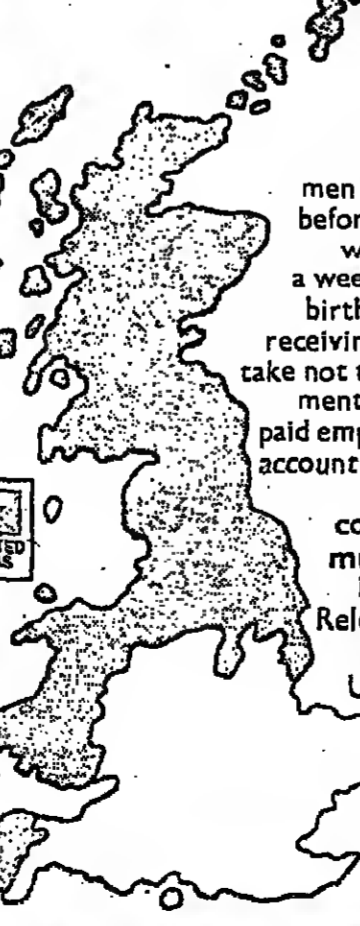
# Small is beautiful

The scheme is a temporary measure and is confined to workers in the Assisted Areas of Great Britain. You will find details of the Assisted Areas on the map and in the leaflet referred to below. Separate arrangements apply in Northern Ireland.

If any of your workers decide that the scheme will benefit them and apply for Job Release, they must have your agreement before they can give up their jobs. Taking part in the scheme is entirely voluntary, in both cases.

On your part, if you agree to their leaving, you must recruit people from the unemployed register to replace them—though not necessarily for the same jobs.

The Job Release Scheme offers



men aged 64 and women aged 59 on or before 30 June the opportunity to stop work up to a year early and get £23 a week tax-free until their 65th or 60th birthdays respectively. While they are receiving this allowance they must undertake not to claim any benefit for unemployment or incapacity, or to engage in any paid employment or business on their own account where earnings exceed £4 a week.

If your employees wish to be considered for Job Release, they must apply by 30 June.

Leaflets with full details of the Job Release Scheme are available from any Employment Office, Jobcentre or Unemployment Benefit Office. Just ask for copies of 'Job Release Scheme: Employed People'. Or ring 01-214 6403 or 01-214 6497 for information.

# JOB RELEASE SCHEME

Issued by the Department of Employment DE

PIA

# Take a ride on success.

When you get down to it there is only one way to judge an airline.

The only sure guide is increased passenger support.

Over the last three years we have increased our passengers at the rate of 33% a year.

Considered this way we at PIA come out very near the top of the airline league.

One of the copybook success stories of the past few years, acknowledged by the International Business Times. So Take a Ride on Success, it's a Great Achievement.

**PIA**  
Pakistan International Airlines

Great people to fly with.

# SOGAT rejects print technology proposals

BY ALAN PIKE, LABOUR STAFF

THE LARGEST print union yesterday removed the last chance of national newspaper workers supporting the Programme for Action proposals for the introduction of computerised new technology on an industry-wide basis.

Members of the Society of Graphical and Allied Trades of London and Manchester have rejected the programme by 223 votes in 977.

The proposals have now been rejected in ballots of all three print unions—SOGAT, the National Graphical Association and the National Society of Operative Printers, Graphical and Media Personnel—and by a Fleet Street branch vote of the Electrical and Plumbing Trades Union. Members of the National Union of Journalists have yet to vote.

A joint standing committee of

national union leaders and newspaper management representatives produced the Programme for Action, which sets out proposals for voluntary redundancy, pensions, new disputes procedures and other issues involved in the proposed introduction of new technology. But it is apparent that those union leaders who recommended the package under-estimated the extent of their members' opposition.

The SOGAT ballot result will come as a particular disappointment to Mr. Bill Keys, the union's general secretary, who, as the present chairman of the joint standing committee, has been very directly involved in promoting the Programme.

There now seems no prospect of the introduction of new technology taking place under a single scheme for the whole in-

dustrial and future progress will depend on negotiations at individual house (office) level.

The industry had been anxious to avoid this without an agreed overall framework the consequences could be "extremely grave and have a serious effect on the continued viability of some titles".

Mr. Lea Dixon, president of the NGA, whose members rejected the proposals by more than four to one has suggested the possibility of negotiations continuing at house level with some form of overall national policy attached.

The end of an industry-wide approach would cast doubt over whether the joint standing committee would still be able to obtain a £2.75m loan from the European Social Fund to help finance training.

# Government 'will not force universal adoption of Bullock'

BY CHRISTIAN TYLER, LABOUR CORRESPONDENT

THERE WAS nothing in the Bullock proposals on industrial democracy to stop companies voluntarily setting up their own worker participation arrangements tailored to their own needs, Mr. Stanley Clifton Davies, Under-Secretary for Trade, said yesterday.

Mr. Clifton Davies stressed that legislation due to be introduced this Parliament would not force universal adoption of the Bullock formula for worker directors, and would allow companies and unions to opt for something short of partly of the Board.

At the same time his speech to an Institute of Personnel Management conference in London made it clear the Government was still committed to ensuring worker participation in management decision-making at Board level where it was called for, based on the recognised trade union

principles would only mean that nothing was done to improve Britain's industrial relations and therefore industrial performance.

He added that the Bullock Report, which had still to be considered by the TUC general council, presented a big challenge to the unions as to companies.

Sir Jack Callard, former chairman of ICL and one of the minority group on the Bullock Committee, warned of a sterile industrial relations conflict in the Boardroom with directors "locked in a power struggle".

Lord Bullock has been invited to speak, but is still recovering from an illness. The conference continues to-day with addresses from Professor Bill Wedderburn, of the LSE, and Mr. Clive Jenkins, general secretary of the Association of Scientific, Technical and Managerial Staffs. Both were members of the Bullock Committee.

Consultations with the CBI, the TUC, and others were on the general basis of the Bullock committee, which has been strongly criticised by employers.

This opposition was forcibly expressed by Lord Watkinson, president of the CBI, who said if the Government tried to force industry to accept the recommendations of the Bullock Report, the ensuing controversy would greatly overshadow the row over the Conservatives' Industrial Relations Act.

Mr. David Lea, head of the TUC economics department and a member of the Bullock Committee, urged management to discuss the details of worker democracy; it was now not a question of whether to reform company Boards, but how, he said. The political decision had been made and he did not believe that more time was needed: protracted debate on the

# Early TUC decision expected in white-collar recruiting row

BY OUR LABOUR STAFF

THE TUC committee which bears inter-union disputes will shortly give its decision in a row between the Electrical Power Engineers Association and one of the other TUC white-collar unions which is bitterly contesting the EPEA's right to recruit in the private sector.

This week, the disputes committee took evidence from the EPEA and the supervisory section (TASS) of the Amalgamated Union of Engineering Workers in the first case to come before it since the EPEA decided last

year to open its doors to engineers in private industry. Hitherto the union has been confined to the nationalised electricity supply industry.

The case involves a row at one of three GEC plants at Wheatstone, near Leicester, but other cases are in the pipeline. Both TASS and the Association of Scientific, Technical and Managerial Staffs are opposing the EPEA, which in turn has protested to the TUC that its recruitment drive is being unfairly blocked by other TUC affiliates.

Already there has been friction at some plants between EPEA and other unions, and attempts by the EPEA to come to terms with TASS on the whole question of recruitment were soundly rebuffed last month.

Behind the dispute is the recommendation of the Council of Engineering Institutions more than a year ago that the EPEA should be encouraged to recruit to join. The council also recommended three non-TUC unions as being appropriate.

# Railmen oppose early pay decision

By David Churchill, Labour Staff

THE National Union of Railwaymen decided yesterday to ask Mr. Len Murray, TUC general secretary, not to allow any final decision on a third stage of the pay policy until July.

The union is concerned that agreement between the TUC and Government may be reached before its annual conference at Ayr in July can formulate the union's position. Last year, Mr. Sidney Weighell, NUR's general secretary, abstained from the special TUC Congress vote on the pay policy because his union's conference had not met. Subsequently the NUR endorsed the pay agreement.

Although the broad shape of any further stage of pay policy is expected to emerge in April, no decision has yet been made on how and when the TUC should vote on any agreement.

Meanwhile leaders of the three rail unions, including Mr. Weighell, are meeting British Rail management to-day to press for increases in fringe benefits allowances in addition to the already agreed £2,500-£4 rise next August.

The union's executive committee also considered a report from British Rail yesterday that the shipping services between South Wales and Ireland were to be closed down as had previously been threatened.

# Peace moves at Massey

By Arthur Smith, Midlands Correspondent

THE THREAT of another flare-up at the Massey Ferguson tractor plant at Coventry receded yesterday.

The Banner Lane plant, now resuming normal production after an 11-week strike over piecework rates on the new 500 series of tractors, was given seven days' notice of industrial action by 60 gearbox assembly line workers.

Local full-time officials have been called in to allow discussions to resume. The latest dispute centres on piecework rates but, according to the company, is not directly related to the earlier issue of the introduction of the new range of tractors.

Although the company's target of 48 tractors a shift on the new 500 series can be achieved, Massey said last night.

# Govan men vote for one-day strike

GOVAN SHIPBUILDERS' 5,500

Upper Clyde workers yesterday agreed to stage a one-day strike at the start of a shop stewards' unofficial campaign to prevent the rundown of the industry.

The decision, with only a few votes against, followed a recent meeting from Mr. James Airle, the State-owned yard's convenor of shop stewards, at a mass meeting.

Other yards are holding similar meetings in the hope of organizing a national one-day strike.

Normally working was resumed yesterday by 4,000 production workers at the Dunlop factories in Liverpool, Salford and Walsley after a one-day strike over manning levels. The dispute is centred at Walton, Liverpool, the footwear division, and talks between management and men are being arranged to prevent a three-day strike action at Walton from Monday.

# Components disputes end

TWO strikes were settled yesterday.

Workers at the Good-year tyre factory at Wolverhampton will return on Monday after being on strike for a week. The 270 strikers have agreed to give a new tyre process a 30-day trial.

At Lucas aeroplane factory, a three-day strike by 960 hourly-paid workers over a pay dispute is expected to end today. A formula for a return to work has been agreed after talks between management and unions.

# Manning row at Dunlop ends

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# SNOW REPORTS

Area	Depth (cm)	State	Wind	Temp
Andover	10	Drizzle	W	5
Birmingham	5	Fair	W	4
Bristol	5	Fair	W	4
Cardiff	5	Fair	W	4
Edinburgh	15	Fair	W	4
Exeter	5	Fair	W	4
Gloucester	5	Fair	W	4
Leeds	5	Fair	W	4
London	5	Fair	W	4
Liverpool	5	Fair	W	4
Manchester	5	Fair	W	4
Newcastle	5	Fair	W	4
Nottingham	5	Fair	W	4
Sheffield	5	Fair	W	4
Southampton	5	Fair	W	4
Stoke	5	Fair	W	4
Swansea	5	Fair	W	4
Wolverhampton	5	Fair	W	4
Wrexham	5	Fair	W	4
York	5	Fair	W	4

# Technical Page

EDITED BY ARTHUR BENNETT AND TEB SCHOETERS

# CRYOGENICS

## Fast deep freeze

AN EXTREMELY compact, low-cost, fast deep freeze cryogenic freezer is available from Provo for pneumatic lines and electrical connections to be made through the vacuum wall.

Type MC 30 Mini-Gooler is 38 centimetres high and weighs just six kilograms. Originally designed for military applications, this commercial version is ideal for a variety of laboratory and educational experiments, and demonstrations.

Typical applications include infrared detector cooling, thermopile calibration, amplifier cooling, the study of condensation and freezing phenomena, determination of heat of solidification of certain substances, detector of specific heat, and replacement of liquid nitrogen in certain techniques such as electron microscopy.

Operating on the Philips-Stirling principle, the MC 30 produces a cold output of approximately liquid nitrogen

# Safe for an overseas operator

The gear grinders are made by Matrix Machine Tools, a TI division company. Matrix gear grinders are made of the involute diamond. This produces a true dresser curve, which can be adjusted to give modified profiles.

The involute curve is generated from cams and sine bars, which cover a large range of base circles. Gear diameters can be produced from 0.06 set of cams. Alterations are available for gears of low tooth numbers such as pump pinions. Further cam sets are available for gears above 5 inches.

Further advantage of this device is its ability to produce a perfect blend to be achieved. Both the tool flank and the fillet radius are produced with the same diamond.

Details of the gear grinding machine from Tube Gearments, Ipswich, Essex, CV4 9DA. Tel: 0228 88888.

# MACHINE TOOLS

## Grinders increase output

ADDITION OF two Matrix 530 gear grinding machines to Bamworthy Hydraulic's pump gear finish operation at Poole, Dorset, has cut cycle times from 11 1/2 to 7 1/2 minutes, and has increased psi

# Safe for an overseas operator

QUESTIONS of safety standards applied outside the U.K. will be discussed at a special one-day discussion meeting arranged by the Machine Tool Research Association and the Technical Help to Exporters service of the C.I.P.E.A. on April 21st. The proceedings will be of interest to all exporters of machinery, particularly machine tools, and will include special reference to the requirements

# ELECTRONICS

## Serving advanced industries

GROWING NUMBERS of operators in the U.S. electronics industry are asking themselves the question where their expertise really lies; in other words, whether they should take advantage of a new design idea in one particular area with which they are specially concerned, leaving the rest of a new system to be filled in from other manufacturers' ranges of equipment, or whether they should delay getting their system to market by building all the bits and pieces themselves. Frequently now they are opting for the "get it out quick" solution.

The same considerations are being applied in many other industries and hardly a week goes by in the U.K. now without one or other design or processing service being offered at rates which defy the in-house machine or design shops of all but the biggest manufacturers, simply because the entrepreneur working the service can call the tune as to the range of work he is prepared to accept and can keep

# COMMUNIC

## Big num on a butt

IN THE very few years since the world has become a global village, the number of international calls has increased by a factor of 10. This is a trend that will continue, and it is estimated that by the year 2000, the number of international calls will have increased by a factor of 100. This is a trend that will continue, and it is estimated that by the year 2000, the number of international calls will have increased by a factor of 100.

# COMPUTING

## Plugs into the TV

AN interesting development in low-cost computing is the Poly SS machine made by Polymorphic Systems of California and available in the U.K. from Complex Electronics.

Based on the Intel 8080A processor, it has 512 bytes of random access memory plus sockets for 3,000 bytes of read-only memory, an eight-level interrupt system, real time clock, serial input/output port and the necessary power supplies.

In kit form the machine costs £800, and to avoid the need to buy a VDU—a £1,000 item—the designers have arranged that the computer output can be displayed directly on a domestic television receiver by plugging in, via a small interface board, to the UHF aerial socket. The only additional item needed is a suitable keyboard.

Other interface boards available allow connection to cassette or floppy disc storage and there are also memory cards, colour TV controller, disc controllers and analogue input/output cards.

Facilities can be expanded by additional cards plugged into the 5100 bus structure. More from SIO, Kilburn High Road, London, N.W.6 (01-328 1124).

# Wave forces on marine structures

UCC is making available on its 1108 network a new program for the automatic generation of wave, wind and deadload data for space frame structures in a steady sea state.

Called WAVGEN, it may be used to determine wind, wave and deadweight data for a variety of marine structures such as fixed piled jacket platforms, semi-submersible drilling rigs, jack-up type and articulated structures.

Wave profiles, water particle velocities and accelerations may be calculated according to a number of non-linear wave theories. Particle velocities can be modified to take into account the effect of current.

Note from UCC on 01-367 9661.

# NCC on new footing

BRITAIN'S National Computing Centre is assured of a basic subsistence until 1980, thanks to a series of contracts concluded with the CSE Requirements Board, following over from the old grant-in-aid.

Such more important than a subsistence, however, is the fact that NCC in 1977/78 will derive the major part of its income from other sources—membership, software, education and work in several areas for BEC group and expects this trend to continue.

CSE Requirements Board has concluded contracts up to 1980 worth £1.7m, to yield £900,000, or £1m, plus at current inflation rates, in the present year.

On present performance, the NCC's exports prospects for the current year are over £400,000, represents about 17 per cent of total turnover. Whether this percentage will alter much depends to a large extent on what the Requirements Board decides

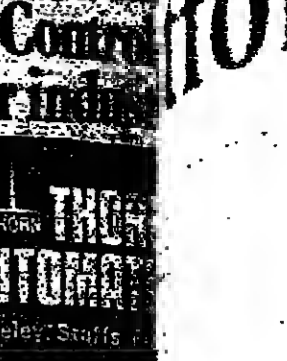
# Micros are on the move

RAPID GROWTH of interest in microprocessors is leading to a rash of announcements concerning support activities offered to potential users.

In recent days Data General has disclosed the development of a floppy disc based DOS (disc operating system) basic programming language for its MicroNova 16-bit machines. This means users will find program development on the new family as simple as on the remainder of the machines in the Nova family.

Also involving the MicroNova is the move by Seicon Consultancy to set up a development system for this unit from which it will be deriving a series of products.

One of the first jobs to be



Control for industry... The gear grinders are made by Matrix Machine Tools, a TI division company. Matrix gear grinders are made of the involute diamond. This produces a true dresser curve, which can be adjusted to give modified profiles.

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RAPID GROWTH of interest in microprocessors is leading to a rash of announcements concerning support activities offered to potential users.

One of the first jobs to be... Specialist production power plants... Send for details...

# COMPANY NOTICES

**Midland Bank Limited**

Notice of Meeting

NOTICE IS HEREBY GIVEN that the one hundred and forty-first annual general meeting of Midland Bank Limited will be held at the Directors' Room, 25 Abchurch Lane, London EC4N 3DF, on Wednesday, 28 April 1977, at 10.00 a.m. The Directors' Report and audited Accounts for the year ended 31 December 1976, to be presented to the meeting, will be available for inspection at the Bank from 15 April 1977 to 27 April 1977, during normal office hours.

The dividend of 22.5 pence per share for 1976, payable on 27 April 1977, is hereby announced.

A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and, on a poll, to vote instead of him. A proxy need not be a member of the company. To be valid, forms of proxy must reach the Registrar of Companies, 25 Abchurch Lane, London EC4N 3DF, not less than forty-eight hours before the time fixed for the meeting.

By order of the Board  
D. P. G. WYATT, Secretary.

Registered Office:  
Fidelity,  
London EC2P 2BX.  
17 March 1977.

**DE BEERS CONSOLIDATED MINES LIMITED**

NOTICE TO HOLDERS OF DEFERRED SHARES

PAYMENT OF COUPON NO. 58

HOLDERS OF DEFERRED SHARES are notified that the coupon of 22.5 pence per share, payable on 27 April 1977, is hereby announced.

The dividend of 22.5 pence per share, payable on 27 April 1977, is hereby announced.

# RESTAURANTS

**Somewhere Different for Lunch?**

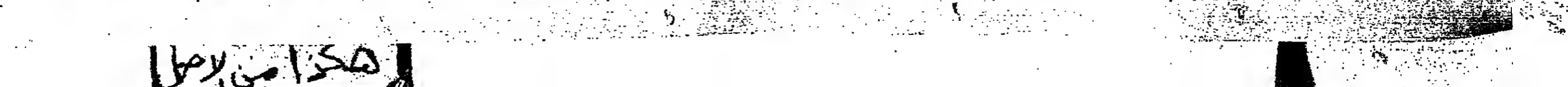
Where to take that important lunch—a difficult problem. The newly selected Manchurian Restaurant is guaranteed to create the right impression. Come and sample London's finest Fooking dishes, served by our expert staff in luxurious surroundings.

For a meeting appointment, The Manchurian offers the right atmosphere for selected occasions. The prices are exceptionally good for what other places will not do. You and your guest can be served at the special you require. We also have facilities for private parties, functions and, if you require it, our fully stocked bar is at your service for a small charge.

**THE MANCHURIAN—DEDICATED TO YOUR SERVICE.**

25 Abchurch Lane, London EC4N 3DF. Tel: 01-493 6251.

Monday to Saturday 12 noon to 2.30 p.m. and 6 p.m. to 11 p.m.  
Sunday 12 noon to 2.30 p.m.



NORTH SEA OIL REVIEW

BY RAY DAFTER

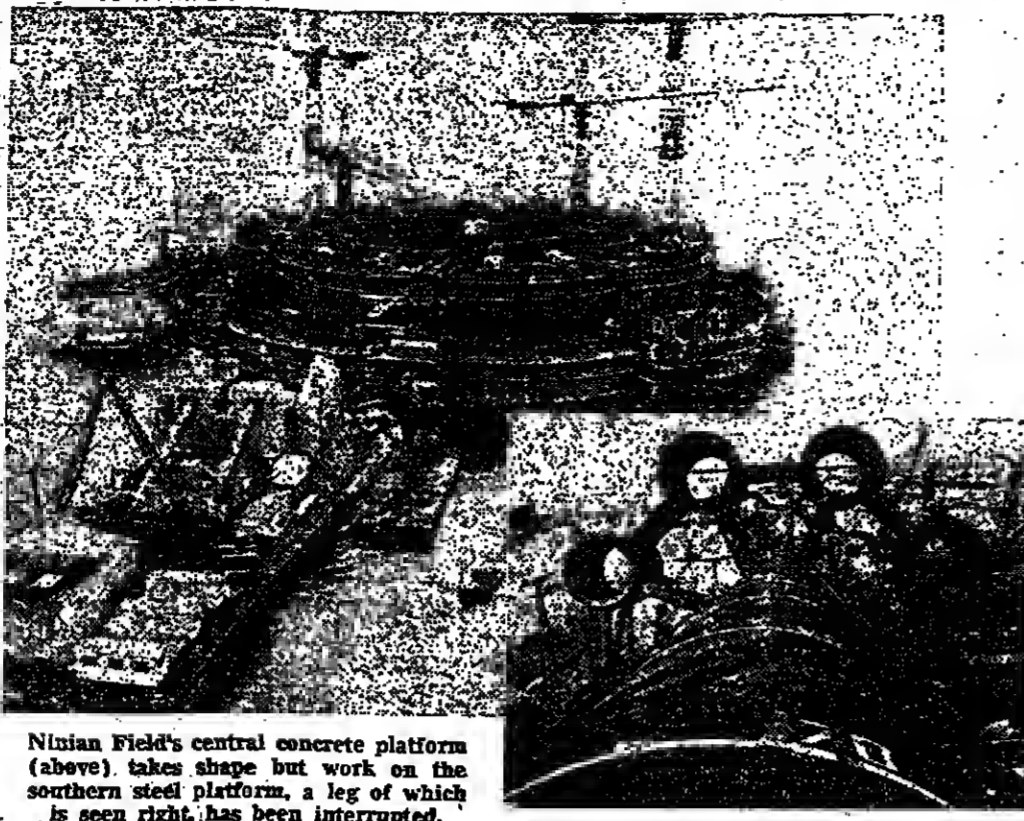
# Platform problems for Ninian

CONTINUING strike at JBE Offshore building yard in Scotland is causing some furrowed brows among partners involved in the development of the Ninian Field. For if it persists, stoppage could cause a significant delay to the production of the field, due to come on stream in the first quarter of next year.

The problem follows the dispute at JBE Offshore building yard at Clydebank where work on deck structure for the HIFab platform was interrupted for about a month.

Both stoppages have alarmed the offshore industry and the Government at a time when they are emphasizing Britain's fabricating ability in a bid to win more orders.

Though the Government has urged a settlement in the dispute, the fact is that the HIFab platform, through its participation in the Ninian Field, is a joint venture of British Petroleum and British Overseas Oil Corporation, therefore, as yet, that the Department of Energy or the Offshore Supplies Office intend to mediate in the dispute at Clydebank.



Ninian Field's central concrete platform (above) takes shape but work on the southern steel platform, a leg of which is seen right, has been interrupted.

It is not merely the platform which is causing the partners concern. It is that the completion and very schedule for the central concrete platform, being by Howard-Doris at Lochmaben, is also tight.

On the other hand, the fact is that the HIFab platform, through its participation in the Ninian Field, is a joint venture of British Petroleum and British Overseas Oil Corporation, therefore, as yet, that the Department of Energy or the Offshore Supplies Office intend to mediate in the dispute at Clydebank.

Albert Granville, managing director of Howard-Doris, is expected to be even more concerned yesterday. "With the work we are going on, it looks we cannot fail to make it, but we have a continuous one day a week for the last few weeks and we are up to spring and summer."

1,700 men working at Kishorn have now completed four of the seven concrete walls which make up the central production platform. The fifth wall is expected to be completed this week and work will begin in earnest on the inner walls which form the

central tower. Mr. Granville said he was expecting to take possession of the deck, being built by McDermott at Ardersier, by the end of May. As a result, it might be possible to start fixing the deck to the platform tower in the second half of July, a month sooner than the latest date to catch the weather "window" — the period of settled weather best for offshore operations.

If the work is accomplished this summer — and September 14 is seen as the likely deadline — the platform could be in position for the start of drilling in October or November. Such a timescale could enable the field to start producing oil by the end of the first quarter of 1978.

But in spite of the optimism expressed by Mr. Granville and, more conservatively, by Chevron, the Ninian consortium is busy making contingency arrangements. If work on the central platform fails to meet the deadline the structure could be towed to a sheltered site on the west coast of Scotland. In this case, the steel structure could be worked through the winter months prior to its

out in April and production start-up in May or early June.

Furthermore, Chevron has a plan which would enable the field to be brought on stream through just the steel, southern platform (the one held up at Nigg) assuming this one reaches the offshore location before the central platform.

This brings us back to the concern surrounding this HIFab platform. The basic structure,

### PARTICIPANTS IN THE NINIAN FIELD

Company	Share %	Reserves m. barrels
Chevron (operator)	16.8	185
BP	21.0	231
Shell	15.0	175
ICI	18.2	208
LASMO	9.0	99
Murphy	7.0	77
Ocean Drilling & Exploration*	7.0	77
Ranger	4.0	66
<b>TOTAL</b>	<b>100.0</b>	<b>7,100</b>

\* 50% owned by Murphy  
Source: Wood, Mackenzie

in essence the legs and deck support, is 90 per cent. complete. Only 28 days more work is needed so it could still be delivered in April or May. However, if this platform misses the weather window, it is unlikely that it will be able to produce its first oil until late 1978.

Mr. Glenn Schurman, managing director of Chevron Petroleum, is emphatic that the Ninian partners are not issuing an ultimatum to the HIFab workforce. The workers must be aware, however, that the oil companies have a potentially powerful sanction. They can withdraw the second Ninian platform order to be placed with the yard — the northern structure announced last month.

There has been speculation in the offshore industry that Chevron ordered this second platform as a carrot to speed up work on the first. Inevitably, companies wondered whether BP — which acquired its 21 per cent. Ninian stake from Burmah — unduly influenced the decision.

Mr. Schurman denies these rumours, however. The decision was taken on sound commercial grounds, he said. The group was

able to take advantage of very competitive prices being offered by HIFab which, in turn, was anxious for more work.

The result is that the new platform, admittedly smaller than the one under construction, is costing some £40m. as against the £60m. being charged for the predecessor. With associated work, the provision of the northern platform will bring the total development costs of the field to about £950m.

Brokers Wood, Mackenzie reported this week that its estimate of costs had risen to \$2.7bn. on the basis of three platform structures.

Chevron had considered using 12 sub-sea well completions to drain the northern portion of the field but this idea was abandoned for three main reasons. It was felt that the sub-sea technology had not been sufficiently proved; that the downtime caused through failure, maintenance and repair might undermine the field's profitability; and that there were unacceptable environmental risks.

As a result of installing the third platform, the Chevron group should be able to cover virtually the whole of the Ninian Field which is roughly pear-shaped, some 12 miles long and stretching across the boundaries of block 3/3 (held by the Chevron consortium) and 3/8 (held by BP).

The platform was justified on the basis that it could tap an other 100m. barrels of oil. The reserve estimates of Ninian are still a contentious issue, with estimates going as high as 1.5bn. barrels and as low as 800m. barrels. British Petroleum has been among the most cautious in this regard.

The consortium's official line is that the field contains 1.1bn. barrels of recoverable reserves on the basis of an average 37 per cent. recovery factor. The field is trapped in four different producing zones, each one of which has a unique recovery profile.

The production profile from the third platform has still to be announced — talks are continuing with the Department of Energy — but the new facilities should enable the peak production of the field to be sustained for a longer period.

With the two platforms it was expected that peak production would be about 310m. barrels a day over three years, 1980, 1981

and 1982. With the northern platform being brought on stream in the early 1980s it is between 335m. and 350m. barrels a day, a rate which might likely that 1982 output will be sustained for a further year.

The extra production facility provided by this third platform will also give the Ninian partners more scope to maintain pressure through water injection. According to industry reports the field is a closed structure which will need water injected into the lower pay zones.

Like many other operators, Chevron is faced with relinquishing half of its licence later this year. Which portion to hand back to the Government is proving a tantalising question. Mesa Petroleum's last well, a dry hole close to its Moray Firth field, was drilled to provide just that answer. The Thistle field partners have carried out an ambitious drilling programme to ensure that they do not hand back potentially rich reserves. The Chevron partners are fortunate in that their P202 licence also covers blocks 15/12 and 15/28 which means that they can easily avoid relinquishing part of the Ninian structure.

All being well, the Ninian Field should be on stream in the spring or early summer of 1978, adding considerably to Britain's energy self-sufficiency. But even if the construction problems are overcome there is another, longer-term worry. The Ninian oil is due to be pumped by pipeline to the Sullom Voe oil terminal in the Shetland Islands, which is also slipping behind schedule.

Chevron are providing offshore facilities to separate some of the associated gas from the crude. This will enable the group to send oil straight through the Sullom Voe tanks into tankers without the need for the delayed terminal separation equipment. But this exercise would mean that much of the Ninian Field gas would have to be flared. The question here is: will the Government be prepared to allow the flaring in order to gain the badly needed oil or will it force a further delay in the field's development in order to conserve the gas? The answer to this question has still to emerge.

### STRATEGY FOR U.K. ECONOMY

# OECD analysis emphasises need to continue fight against inflation

PETER RIDDELL, ECONOMICS CORRESPONDENT

THE MEDIUM-TERM strategy for the U.K. economy which, if successful, would radically change the "look" which only a few years ago seemed bleak — is set out in the annual review of the Organisation for Economic Co-operation and Development, published this morning.

The survey points to a set of alternatives open to the U.K. in the late 1970s and 1980s — underlying the strategy inherent in the review, is the excessive priority to either going to too large an external account, or to a quick return to employment.

The medium-term growth would involve an average rise in gross domestic product (including the oil sector) of 4 per cent. between 1977 and 1982, with a further 1 per cent. a year in manufacturing investment in real terms, a 1 per cent. increase in public expenditure, a 13 per cent. rise in export volume, and a 1 per cent. rise in imports (all rates). Total employment would rise by 1 per cent. a year.

The analysis of the medium-term strategy against the background of forecasts which predict a decline in real wages, a rise in unemployment, and a total for Britain of about 1.5m. in 1982 (compared with 1.2m. in 1977), compared with a 1 per cent. a year.

The only bright feature is the "payments" where the review says there are "encouraging signs of some real improvement, thanks to greater price competitiveness, growing North production, and restrained growth."

The review projects a current account deficit of about \$500m. in 1977, compared with \$300m. in 1976, and a surplus by the end of 1982.

The review is in line with many other forecasts within the Government, although the official view is cautious about the rate of improvement this year. The projection of a 7 per cent. increase in volume this year is the highest that has ever been expected, but is in excess of what is expected by only 24 per cent. 13 per cent. (in line with the OECD states that the latest Treasury thinking).

Against inflation must

continue to receive priority. Any development that brought inflation above the present target level (itself very dangerous) could destroy the efforts of the last few years, relaunch inflationary expectations, recreate the conditions for a new rush on the currency, and bring the economy back to the chaos of 1974-75, just when it could, instead, be entering a period of self-sustained growth.

The review backs the policies announced in the International Monetary Fund Letter of Intent, and stresses the need for a consistent monetary policy — even if short-run indicators were to point to substantial achievements in the fight against inflation.

The OECD notes that the pursuit of restrictive policies for another year will increase social costs. There was little that could be done to prevent a fall in personal disposable income for the third year running possibly by as much as 3 to 4 per cent.

The selective labour market measures developed last year had a useful impact and their continuation would seem highly desirable.

The OECD praises the Social Contract. On the stage three pay talks the review says: "It would be highly desirable for the Government to continue to encourage the awarding of selective pay reductions at the two extremes."

"Such a policy would necessarily, for a time, slow down the process of reducing the budget deficit. Over the longer run, however, the selective pay reductions and its activity picks up. It is of course essential that the public sector should, in line with present plans, achieve a substantial reduction in its deficit."

pointing towards better prospects reflects the progress achieved on reducing inflation, a change in the authorities' medium-run policies, and the expected contribution from North Sea oil.

"As a result of the relatively novel policy approach, less heavily oriented than previously towards the short term, the economy could, for the first time since the 1967 devaluation — be able to break away from the vicious circle of the past."

The review points to the adoption of monetary targets and the planned substantial cuts in public spending over the next few years, and also to the policies associated with the Industrial Strategy in order to help revive investment.

The report notes that, "if one single explanation had to be provided for Britain's record concerning labour productivity and foreign competitiveness it would probably be found in the investment area."

### Royalties

The combination of these policies, especially if complemented by the continuation of the voluntary income policy and the determination not to alter course too frequently, should provide the economy with some of the basic preconditions for faster growth.

On North Sea oil, the OECD points to Government revenue from various taxes and royalties of about \$5.5bn. between mid-1976 and 1980 (at 1976 prices) and \$3.5bn. a year in the early 1980s.

The review outlines two main options — a policy giving priority to the requirements of the external account, limiting the growth of domestic demand rather severely, even after the present transitional period. But it gives a warning that, an unrealistically low target for living standards may eventually risk the risk of industrial unrest and a wages explosion.

"And while it is essential to achieve lasting and substantial current account surplus to meet the numerous external claims on the country, there could come a point at which too large a surplus, consequent upon slow growth, could bring along with it problems of its own."

The possible upward pressures on the exchange rate are mentioned which could have adverse effects on the economy in the long term.

### Incentives

The review highlights the question of whether the incentives to invest will be strong enough in present conditions of weak profits and low capacity utilisation.

But a restoration of profits sufficient to stimulate investment can hardly take place without a major increase in capacity use. For this to happen, an expansion of aggregate demand exceeding capacity growth is necessary, and it is indispensable that this comes primarily from the export side.

However, in the early part of the scenario period, when capacity utilisation and profits are still very low, the rate of growth of expenditure other than for production investments and exports have to be somewhat higher than the average for the period as a whole, this would preserve the advantage of helping to preserve the major elements of the Social Contract.

### CRICKET BY TREVOR BAILEY

## The finish to end them all

MELBOURNE, March 17.

Richard Green had ten off three successive deliveries after the (Centenary) Test by 45 runs, interval. Chappell eventually ended this splendid partnership by bowing Amis for 64. At 278 performance. They not only scored 417 runs, which did not seem remotely possible after their first innings display, but also batted so well that the eventual outcome was in doubt until the final session.

The main reason was a great 176 by Randall, who rightly received the man-of-the-match award. The competent support from Amis and Greig also should not be forgotten while in the closing stages Knott contributed a typical 42.

Unfortunately it was not quite enough. Lillee, who is not coming to England this summer, but whom I fancy will capture a large haul of Indian batsmen next winter in Australia, took five wickets for the second time and Chappell, with Gilmore injured, produced a tidy spell when he began to look as if England might pull off the impossible.

England began the final day on 191 for 2, requiring 272 to win, with Randall on 87 and Amis on 24. With the new ball out for a single to reach a splendid first Test century. Before Lillee came off he managed to fell Randall with a direct hit on what must be a very hard head, for after a few minutes the perky player carried on unconcerned.

The new ball arrived and Amis reached his 50 with a tinkle to leg. The English pair were still together at the interval, by which time the score had reached 267 — Randall on 129 and Amis on 65.

Lillee was now operating on a short run and Randall had

mered him for ten off three successive deliveries after the (Centenary) Test by 45 runs, interval. Chappell eventually ended this splendid partnership by bowing Amis for 64. At 278 performance. They not only scored 417 runs, which did not seem remotely possible after their first innings display, but also batted so well that the eventual outcome was in doubt until the final session.

The England captain celebrated his arrival by driving his first delivery for four, and repeated the stroke in the same over.

There were two intriguing incidents. First Randall would have been run out by Greig if the bowler had hit the stumps but as he had impeded Randall the umpire would have been put into an embarrassing situation. Secondly, at 420 Randall was given out caught behind but the decision was reversed.

Fifteen minutes before tea O'Keefe had Randall caught out and pad for an heroic 174. At tea England were 353 for five but unless Greig and Knott remained, the best they could hope for was a draw. In the final session Greig was caught off O'Keefe for 41. Old predictably was unable to cope with Lillee and Lever, playing back instead of forward, was bowled to O'Keefe.

The Kent pair, Underwood and Knott, continued to look for runs until the latter was bowled at 410, and shortly afterwards the final wicket fell with the result that the Centenary Test ended exactly the same as the first — a victory for Australia by 45 runs.

● Apart from the loss of Lillee, Australia will be without Gary O'Keefe for their tour of England this summer. The Australian party: Ray Bright, Greg Chappell, Gary Cosier, Ian Dyer, Geoff Dumack, David Hookes, KJ Hughes, Mick Maloney, Rodney Marsh, Rick McCosker, Kerry O'Keefe, Len Pascoe, Richie Robinson, Craig Serjeant, Jeff Thomson, Doug Walters, Max Walker.

### CINEMAS - Cont.

CURZON, Curzon Street, W.1. 499 7372. SECTION SEVEN, 8.15. 8.15. 8.15.

COSTA-GAVARRI, English Subtitles, at 2.0 (not 5.0), 6.15 and 8.30.

LONDON SQUARE THEATRE 630 5230. NETWORK (A.A.), See prog. Div. 2.00, 5.15, 8.25. Late show Fri & Sat, 11.45, 12.15, 12.45. Mon-Fri, 8.15, all except Sat & Sun except late night show.

ODEON, Leicester Square (250 6111). THE PINK PANTHER STRIKES AGAIN (U), See prog. Div. 2.00, 5.15, 8.25. Late show Fri & Sat, 11.45, 12.15, 12.45. Mon-Fri, 8.15, all except Sat & Sun except late night show.

PRINCE CHARLES, Piccadilly, 437 8181. RICHARD O'NEILL (1976), 12.05, 2.05, 4.05, 6.05, 8.05, 10.05. Late show Fri & Sat, 11.45.

SCENE 2, 2.4. Late. So. Wardour St., 2.05, 4.05, 6.05, 8.05, 10.05. Late show Fri & Sat, 11.45.

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27 Grosvenor Street,  
London W1A 2BT  
Tel: 01-629 7866

**BIDWELLS**  
Trumpington Road,  
Cambridge CB2 3LJ  
Tel: 0522 221 5391

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A development by English Property Corporation Limited,  
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high quality  
industrial · warehouse · office premises  
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approx. 3,400 sq. ft.

**WIMBLEDON**  
approx. 3,382 sq. ft.

**ORPINGTON**  
approx. 8,220 sq. ft.



**BROMLEY**  
approx. 9,650 sq. ft.

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## EBURY HOUSE, ABERDEEN

### 13,200 SQ. FT. FULLY CARPETED OFFICES

View of building (50 yds. from Union St.) TOP TWO FLOORS NEW CITY CENTRE BLOCK: IMMEDIATE OCCUPATION (4th Floor 8,600 sq. ft.)

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71 Hanover Street,  
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Tel: 031-225 6533

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Tel: 01-499 2061

**CLOSE TO OLD STREET, E.C.1.**

Derelect grade II listed building with planning consent for approximately 5,000 square feet net of offices.

TO BE OFFERED BY PUBLIC AUCTION ON 30th MARCH (unless disposed of by private treaty).

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**SW1**

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### TELFORD HOUSE

#### FIRST CLASS AIR CONDITIONED OFFICES

#### 10,000sq.ft. to let

● Fully re-furnished ● Close to tube

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DEVELOPMENT BY LONDON AND LEEDS INVESTMENTS LTD.

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10 WAREHOUSE UNITS  
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Telex: 847386

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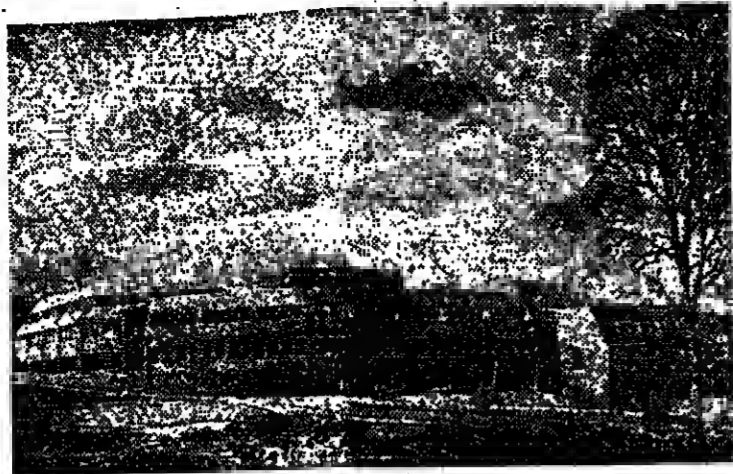
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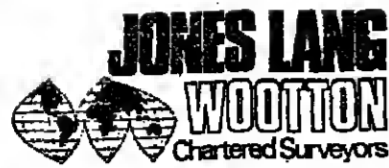
A development by English Property Corporation Limited

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## Banbury



**36,600 sq.ft.**  
**First Class**  
**Air-conditioned**  
**Offices**  
**To Let**



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## OFFICES

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Approx. 1,000 Sq. Ft.  
 In modern building  
 Lease until December 1989  
 Rent £4,450 p.a. excl.  
 Reviews 1981 & 1986  
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 In modern building  
 Lease until December 1990  
 Rent £18,000 p.a. excl.  
 Review 1983 only  
 (83006/PCP)



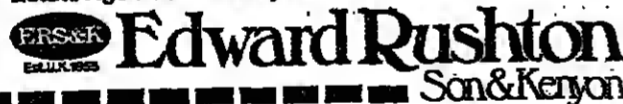
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 Kings Court, Exchange Street, Manchester M2 3AX Tel: 061-834 1814  
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 For Sale as a whole or in parts



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52,000 SQUARE FEET PLUS EXTENSIVE CAR PARKING AND HARDSTANDING

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 Electric lift. Fully fitted carpets  
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REASONABLE RENT. FREE PERIOD  
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£140,000

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 Telephone: 01-428 1281

**ROBERT MORGAN**  
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 London WC2A 1BS  
 Telephone: 01-479 5189

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FREEHOLD INVESTMENT FOR SALE  
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REVERSIONS 1977, 1978, 1980, 1983, 1985  
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Prime Self-Contained Office Building  
 3,000 sq. ft. + storage

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## MODERN AIR CONDITIONED OFFICE BUILDING



APPROX **60,000** SQ. FT.  
**ON GROUND BASEMENT AND 7 UPPER FLOORS**

3 PASSENGER LIFTS  
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 26 CAR PARKING SPACES



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CONDITIONAL BUILDING  
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New Air Conditioned  
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To be let  
Entire floors  
from 1,695 sq. ft.

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8,620 sq. ft. | **74 YEAR LEASE FOR SALE**  
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NEW PRESTIGE OFFICES TO LET  
**SQ. 27,274 FT.**  
Under 15 miles Central London  
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LONG OR SHORT TERM LETTINGS.  
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30,000 sq. ft.  
1 acre site  
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Class Office/Showroom  
Investment  
Building 61 years  
old approx.  
Inc £63,500 p.a. excl.  
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Freehold £665,000  
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7,000 sq. ft.  
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Excellent accommodation ideally suited for use as a retail market/department complex (could accommodate approx. 150 stalls) or other entertainment and leisure uses.  
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**£3.30 per sq. ft.**  
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**22,000 sq. ft.**  
S.E.8.  
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**WANTED**  
**OFFICES WANTED**  
Freehold/Leasehold  
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Special Interest  
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**OF INTEREST**  
to middle market  
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Let us know of your specific needs in the £20,000 to £250,000 brackets.  
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**Approx. 28,000 sq. ft.**  
Of first class modern office, retail/banking space.  
Joint Letting Agents:  
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Alte Rothstrasse 8,  
Germany. Tel: 010 49 611 20 907.  
Telex: 413001.

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Less than 30 minutes from Frankfurt Airport  
**FREEHOLD MODERN OFFICE BUILDING**  
**86,000 sq. ft.**  
FOR SALE or TO LET  
ON SPECIALLY ATTRACTIVE TERMS  
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Appear to-day on Page 18

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CHELMSFORD  
Gandy (A.) & Son, Chartered Surveyors, 125 New London Road, SS74.  
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HARLOW  
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ROMFORD  
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SOUTHEND-ON-SEA  
Wheat & Sons, Estate & Commercial Agents, 119 New Bond St. W1X 9PD. 01-491 2154.  
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Bristol Knowles & Co., Chartered Surveyors, 55 Broad Street, Bathurst, Gloucestershire, Tel. (0285) 6222.  
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**HOUNSLOW**  
Horse & Sons, Chartered Surveyors, 151, High Street, Tel. 01-276 2244.  
**KENT**  
ASHFORD  
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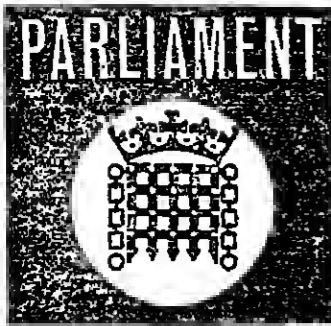
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# Glad tidings of little joy

BY PHILIP RAWSTORNE

THE GOVERNMENT had won the immediate battle for confidence, Mr. Joel Barnett, Chief Secretary to the Treasury, told the Commons yesterday.

## Callaghan insists on gas increases

By Ivor Owen, Parliamentary Staff

THERE WILL be no change of mind by the Government over the increase in gas prices due to come into operation on April 1, the Prime Minister told the Commons yesterday.

## Battle for confidence has been won; we can look for stronger advance—Barnett

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

IN A CHEERFUL assessment of Britain's economic prospects following the Government's latest round of expenditure cuts, Mr. Joel Barnett, Chief Secretary to the Treasury, yesterday told the Commons that confidence had now been laid down for a stronger advance in both output and investment.

be grinned. Surely she wanted the public spending cuts that the Government was proposing.

Abroad, everyone was cheering the Government. But at home the Conservatives were not only gloomy, but irresponsible.

### Accepted

Since the cuts, he said, the transformation in the external and financial markets over the last three months had been dramatic.

tives visibly drooped until, in Mr. James Callaghan's phrase, they looked like "faded daffodils."

position was "a total lack of integrity." The Government was cutting public spending and trying to hide the fact from its supporters.

What had been cut were the forward spending forecasts which the further ahead they were made it became more difficult to see responsibility on the part of those who forecast them.

## Clash over Left support

TAUNTS THAT the Prime Minister could not depend on the Left wing of his party to support Government spending cuts led to a clash between Mr. Callaghan and Opposition leader Mrs. Margaret Thatcher in the Commons yesterday.

There was sceptical laughter from the Tories as he went on to claim that the immediate battle for confidence had been won.

## Soviet deal defended

THE PRIME MINISTER yesterday defended Britain's trade agreement with the Soviet Union. It had already brought jobs to this country, he told MPs.

## Labour MPs attack EEC policy effect on prices

FINANCIAL TIMES REPORTER

LABOUR MPs yesterday resumed their onslaught against Britain's membership of the Common Market and its effect on food prices with demands for the abolition of the Community's agricultural policy.

"millstone" would be permanently around Britain's neck, Mr. Dennis Canavan (Lab., West Sutherland) claimed that EEC price proposals would add 70p a week to the average family.

### Bid to abolish food surpluses

THE GOVERNMENT renewed its promise yesterday to try and abolish Common Market surpluses such as the controversial butter mountain.

## Next week's business

COMMONS BUSINESS next week: MONDAY: Redundancy Rebates Bill, Second Reading; Nuclear Industry (Finance) Bill, remaining stages; motion on EEC proposals on cooking coal for steel industry.

### OFFICIAL SECRETS ACT

## Case of the rusty blunderbuss

BY JOE ROGALY

IF SECTION II of the Official Secrets Act was taken literally, and implemented in every instance in which there was an apparent breach, we in Britain would do nothing but attend trials, prosecute, and send one another to jail.

led the Commons to pass the entire Act in one afternoon, after little more than half an hour of debate.

## Written Answers

### INDUSTRY

Mr. Jim Lester (Con., Beeston). Why has earlier action not been taken to counteract the effect of Post Office cut backs on the telecommunications industry in the light of warnings given by the honourable Member for Beeston and supported by the honourable Member for North Nottingham on November 4, 1973, which specifically dealt with the staff by Plessey and advocated constructive remedial measures which the Government are only now considering?

### TREASURY

Mr. Michael Grylla (Con., North West Surrey). What has been the percentage increase in excise duty on table wines since 1974?

### EMPLOYMENT

Mr. Dafydd Wigley (Pl. Cymru, Carnarvon). With the Secretary of State publishing a table showing the percentage rate of unemployment in each intermediate area whose average unemployment of which is in excess of 8 per cent. at the most recent convenient date?

## BUSINESSES FOR SALE

FOR SALE AS A GOING CONCERN WELL ESTABLISHED PRE-CAST CONCRETE MANUFACTURING BUSINESS HEADQUARTERS AT SHEPPERTON DEPOTS AT BASILDON AND PULBOROUGH Fully equipped and complete with own transport

COMPANY WITH £750,000 CASH PLUS GOING RATE OF PROFIT OF £200,000 P.A. FOR SALE An International Group has for sale a subsidiary company in Europe. The business is in the rail, wholesale trade in quality tableware.

POWYS MID WALES FREEHOLD HOLIDAY AND TOURIST COMPLEX MOTEL, RESTAURANT AND BILLIARD SALOON

CONSTRUCTION Due to Chairman's impending retirement he wishes to dispose of majority shareholding Group of Companies (T/O 2/3 million) in Construction Industry in S.E. England.

FOR SALE BUILDING COMPANY HEAD OFFICE BATH 21 Acres of Garden and Woodland

FOR SALE IN SCOTLAND BUILDING COMPANY with profitable Local Authority Housing Contract (New Wood Green) and other works.

ROTELS AND LICENSED PREMISES CANTERBURY TOURIST CENTRE Situated convenient Victoria Road, now fully licensed Restaurant on two floors.

FOR SALE SCREEN PRINTING, EXHIBITION AND SIGN COMPANY Turnover £325,000 per annum

DEVON FREE FULLY LICENSED FREEHOLD occupying prominent seafront position TORBAY HOTEL TORQUAY

BUSINESSES WANTED YOUR OWN QUOTATION May be last likely under present and predictable conditions and perhaps there could be advantages in selling totally or a majority holding in your company as a well established public company with profits of over £100,000 and in an extremely strong financial position.

MANUFACTURING BUSINESSES In the following industries: ELECTRONICS LIGHT & HEAVY ENGINEERING FOOD PROCESSING

# The Management Page

*John Elliott*

EDITED BY JOHN ELLIOTT

Robert Oakeshott describes the development of French co-operatives which have recently attracted a measure of political attention

## Offspring of a working class movement

THE first time since anyone can remember, the French worker co-operatives are beginning to attract attention in Paris. The combined turnover in 1976 of approximately 500 independent enterprises, linked together in the *Sociétés Co-opératives de Production* (SCOP). Now 400 of the Co-operative have been promised to Valéry Giscard.

made this promise when he addressed the 26th congress of the International Co-operative Alliance in Paris last September. But it seems unlikely that Giscard would do anything but the most active role for industrial co-operatives in his advanced society. It is clear, in fact, that the French Ministry is almost opposed to various suggestions put forward by SCOP. The special financial problems which the industrial co-ops have always faced.

the State sector is still the chief threat. Yet at least until relatively recent times, the reality of the French co-ops has remained unmistakably working class and "artisanal" in character. Certainly up to 1945 the SCOP enterprises tended to keep their distance from the professional middle class, and in turn to be viewed with suspicion not only by the trade unions but by capitalists and the middle class alike.

### Growth record

What is surprising, given an almost uniformly hostile environment from both Left and Right, is that the SCOP enterprises have survived into the last quarter of the 20th century at all. But they have not only survived. They have a slow and more or less unbroken record of growth. At the turn of this century the number of producer co-ops in Britain and France was roughly equal at just over 100.

On the other hand while there were 537 SCOP enterprises in 1975, the Department of Industry could only find an uncertain 20 British counterparts surviving in 1973. This contrast is even more striking if one accepts the claim of SCOP headquarters that these enterprises have been growing faster than the French economy as a whole since the war.

### Support

the other hand it does more or less on the cards if the Left should triumph in France's next Legislative elections, the Socialist and the Radicals (Gauche) press for some concrete measures of support for the co-ops.

is true that there would be any great enthusiasm such measures on the part of the political or trade union or among the French working class as a whole. As in so many countries, the extent

of the working class movement, the SCOP enterprises, like the British producer co-ops, have never really been treated better than rather embarrassing step-children. In both France and the U.K. the main thrust of the co-operative movement since the end of the past century has been behind consumer, not producer, co-operation. In both countries co-operation has been at most a secondary expression of working class solidarity. The great weight of the shop floor has been thrown into the trade unions and into demands for nationalisation. And producer co-operatives have been seen by the bulk of the Left in both countries as

similar proportion is accounted for by enterprises engaged in building and civil engineering; some 40 per cent of them are also concentrated in the region of greater Paris. If one excludes building—and leaves aside the growing number of recent creations which are old capitalist enterprises in new clothes like the Kirky Manufacturing and Engineering in the U.K.—the most important of those set up since the war are middle-class operations. Fairly typical of these possibly

### FIVE LARGEST SCOP MEMBERS BY TURNOVER

ENTERPRISE	ACTIVITY	TURNOVER ('75) Frs.
AOIP	Telephone equipment	433
ACOME	Copper wire	207
Hirondelle	Building and civil engineering	104
Avenir	Building and civil engineering	104
Verrerie d'Ouvrière d'Albi	Glass bottles	68.5

surprising newcomers is BERU, a firm of town planning consultants in Paris, which was the 29th largest of the SCOP enterprises by turnover in 1975 with sales of well over £1.5m.

More interesting however than the appearance of such new middle-class enterprises among the ranks of the SCOP cooperatives has been the efforts of some of the largest and oldest ones to modernise themselves and to introduce the kind of professional and managerial people—the French call them *cadres*—who are indispensable for business success.

Such a process of modernisation was completed some time ago by the largest and one of the most venerable of these enterprises—the Association des Ouvriers en Instruments de

adjustments for the co-op's new executives are generally young and in something of a hurry, there is no reason to doubt that much of the old familiar atmosphere has been lost or that relations between management and shop floor have been causing severe personal strain.

However I was assured that the worst of these problems are now over and that soured relationships are on the mend. But there are still problems. Absenteeism, now around 5 per cent, is significantly higher than under the old regime. This is also higher than for the average SCOP enterprise. It is however much lower than in any comparable State or capitalist owned French industry.

In the individual SCOP enterprise, there are many other examples to encourage those who believe that structures designed to evoke self-reliance on a collective basis can produce surprisingly positive results. One is in Angoulême where a co-op making tents and fibre glass boats—Coop Sport-Vacances—was founded in April 1975 following the earlier closure of its Angoulême canvas and sports goods subsidiary by the Munich-based multinational, Bayer Chemicals.

### Adjustments

Yet it is easy to believe, as I was told at Albi, that the labour force of worker-owner-members which would be unleashed if anyone was bold enough to propose an employee contribution to the tax payer-financed modernisation programme at British Leyland.

And one can just imagine the furious rhetoric of hostility which would be unleashed if anyone was bold enough to propose an employee contribution to the tax payer-financed modernisation programme at British Leyland.

## Employees enlisted to implement a programme of economies

BY SUE CAMERON

BRIGHTLY packaged on the old company box there has just introduced to Britain from S. where it is said to have its worth in over 300 nations including such as General Motors and Honeywell.

package is called QED. stands for "Quid Each and it is being sold in the by a London-based company called Industrial Motivation. The aim of the programme is to galvanise employees into ways of saving £1 per month in their own departments. A handful of U.K. companies including Smith Kline French, Bowater, Crosby and Express Dairies have

already used "the package" and they claim that it has proved effective. Express Dairies says the QED programme brought savings of £15,000 in one of its cheese factories.

**Gimmicky**

The package is designed to provide a four-week programme which will involve all the employees in a company from the managing director down. It has a strong patriotic theme and it is distinctly gimmicky. It includes posters, suggestion cards, a handhook, a large conical sign of drinking mugs all decorated with Union Jacks, week of holiday they are told what QED is all about. They receive letters

deemed within the U.K. During the first week of a explaining the scheme and QED programme, a company adorns the walls of its office and factory with cut-out figures of John Bull and scarlet posters who put forward workable ideas made in the shape of footprints which proclaim: "Take a giant step for Britain." Notes saying: "Together we can beat it—Coming Soon" are stuffed in pay packets and notices calling on everyone to "Bring Back Britain" are glued over doorways.

The subject of all these enigmatic slogans is to what the curiosity of the workforce. For it is only at the end of the first week of the programme that they are told what QED is all about. They receive letters

from their managing director explaining the scheme and a purely voluntary. They are then issued with suggestion cards and those who put forward workable ideas receive a mug and a chance to win a £50 holiday voucher in the weekly QED lotteries.

Industrial Motivation says the beauty of all this gimmickery is that people do not feel shy about making money saving suggestions. The company claims that many individuals would normally keep their ideas to themselves for fear of looking silly if a suggestion turned out to be a failure. Industrial Motivation adds that a concentrated four week QED programme stimulates employees into thinking up new ideas whereas permanent suggestion boxes tend to be forgotten or ignored.

The few concerns that have already used the package in the U.K. say they all received a surprisingly high number of money saving suggestions from their employees. Ideas ranged from changing light switches so as to avoid wasting electricity, to the design of shields that would prevent unnecessary spillage from food processing machines.

## Finance for the smaller companies

IN TIMES of inflation it is particularly important for companies to plan their cash requirements well ahead. It can be costly and sometimes impossible for them to raise cash at short notice under conditions of desperate financial need. Yet historically, smaller companies have paid little attention to capital structure.

These are points made in a booklet just produced by the Industrial and Commercial Finance Corporation which aims for

to explain to the smaller company the variety of financing methods that are available for the longer-term investment. It states also that medium and long-term capital is more readily available than many small to medium sized companies realise.

First, the book examines the question of what the borrowing capacity of a company can be, explaining in simple terms the significance of a "gearing ratio" and the type of security that a lender of money would look

It then goes on to illustrate the different types of borrowing, making note of the "golden rule of borrowing" that long-term capital should be matched with long-term investment, as should "medium with medium" and "short with short." The advantages and pitfalls of choosing a fixed or variable interest rate on a loan are illustrated along with ways in which the financial risk of a project can be assessed. The effects of borrowing on cash flow are also shown — "The impact on a

firm's cash flow of using short-term or medium-term capital to finance long-term investment can be crucial to the success of the business."

The second half of the booklet includes an illustration in tabular form of the ways in which different types of financing—five-year, eight-year and 15-year loans—would affect a company over a 15-year period.

*Borrowing Money for Capital Projects*, ICF, 91 Waterloo Road, London SE1 8XP.

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More apparent than real

THE MOST interesting section of the latest OECD report on the British economy is undoubtedly that which deals with prospects for the period up to 1983, during which there will be an opportunity of overcoming past difficulties and simultaneously attaining a stable and satisfactory growth...

There is little need to remind economists or politicians in this country of the opportunity which North Sea oil will provide, after another year of fairly severe restraint...

One extreme course would be to increase home demand rapidly in the hope of bringing unemployment down to a more tolerable figure in a politically convenient time. The OECD does not yet finally get over the crisis of external confidence...

The killing of Mr. Jumblatt

THE ASSASSINATION of Mr. Kamal Jumblatt in the Lebanon is one more reminder, if any were needed, that the political problems of that country have not been solved...

The killing of Mr. Jumblatt shows that conflict persists. It was the sort of act which anyone determined enough is likely to be able to get away with...

That is the problem the Syrians have to face. They can provide security up to a point, but they cannot put the Lebanon together again...

There will be need of a large current account surplus for many years in order to repay the debt which has been incurred over years of deficits...

After much agonising and occasionally tense exchanges between industry and government—carefully hidden from the outside world—Japan was able to produce in Paris last month a set of proposals which went some way towards meeting European complaints...

Whatever there is to be said in logic for a full employment-based PSBR, however, we have not yet finally got over the crisis of external confidence...

IMAGINE for a moment that Britain is the proud possessor of a major industry whose performance and quality of product could enable it to increase its 50 per cent world market share with virtually no extra effort...

If the industry were facing a contraction anyway because of a world recession, the trade unions would be quite unambiguous in telling foreign rivals where to go...

After much agonising and occasionally tense exchanges between industry and government—carefully hidden from the outside world—Japan was able to produce in Paris last month a set of proposals which went some way towards meeting European complaints...

There is a discernible tone of superiority here which has in some ways made it difficult for Tokyo to bring itself to accommodate the increasingly shrill complaints from Europe about Japan's trading performance...

There is therefore an element

"The EEC countries are selfish," he said. "They should make more efforts to decrease their building costs and to rationalise; they should work hard to make their shipyards competitive before complaining to Japan."

Similar opinions have been voiced at the Shipbuilders Association of Japan (SAJ) which speaks for the country's 22 largest shipbuilding companies...

It is inconceivable to every- one in Japanese Shipbuilding and government that the permanent employment system could be abandoned...

Much has been made in Europe of the fact that no shipyards are actually scheduled for closure under Japan's plan to reduce man hours worked...

Some communities are almost totally dependent on their local

shipyard for employment and it is most unlikely that the Government will allow such socially sensitive employers to go to the wall...

In the past year, it has been these small and medium-sized shipbuilders who have been most frequently the subject of European charges of unfair price cutting...

IHI Heavy Industries, Kawasaki Heavy Industries and Mitsubishi Heavy Industries for example, have either started or are planning redevelopment moves within their empires...

Since its creation in the mid 1950s the Council has planned and implemented developments which established the shipbuilding industry as the world's largest and Japan's shipping fleet as the largest national flag...

The OECD represented a defeat

Negotiating tactics

On shipbuilding, the Japanese have not stressed the difficulties facing their own industry and have merely emphasised that manhours are being cut back to 65 per cent of 1974 levels...

European complaints

Since childhood the Japanese are taught to be ashamed of making excuses for their failures...

Increasing complaints

There is a discernible tone of superiority here which has in some ways made it difficult for Tokyo to bring itself to accommodate the increasingly shrill complaints from Europe about Japan's trading performance...

Reduced demand

Similar opinions have been voiced at the Shipbuilders Association of Japan (SAJ) which speaks for the country's 22 largest shipbuilding companies...

Surplus labour

IHI Heavy Industries, Kawasaki Heavy Industries and Mitsubishi Heavy Industries for example, have either started or are planning redevelopment moves within their empires...

Smaller yards

Much has been made in Europe of the fact that no shipyards are actually scheduled for closure under Japan's plan to reduce man hours worked...

Pretence dropped

In the past year, it has been these small and medium-sized shipbuilders who have been most frequently the subject of European charges of unfair price cutting...

Great growth

Pessimistic about shipbuilding as a part of a wider problem, Japanese as they are to economic growth...

National flag

Since its creation in the mid 1950s the Council has planned and implemented developments which established the shipbuilding industry as the world's largest and Japan's shipping fleet as the largest national flag...

MEN AND MATTERS

Beyond Cadby Hall After a considerable period of financial agony, J. Lyons is now going for its own bit of Board reshuffling—less dramatic than those causing dissonance elsewhere...



The first was in the mid-sixties when Len Badham, who had been with Lyons since just after the last war joined the Board. He was one of the first non-family members appointed...

EEC ducked The German taste for duck falls a long way behind the country's addiction to every possible permutation of pig meat but there is a steady market rather larger than that in the U.K...

likely to diversify quickly into more retail food lines. Rather the group as a whole seems to be pursuing its role as a genetic engineer...

Going cool on CHP Was it mere chance that made Dr. John Cunningham, the Minister responsible for saving energy, choose Bristol when he spoke philosophically about the difficulties of dragoning the population of a British city into accepting district heating...

Watch out Manpower Watch is a trendy description for a process by which the Department of the Environment and three associations representing local authorities monitor quarterly the numbers in local government...

Observer

Advertisement for Edward Erdman, a property valuation firm. Includes a large question mark graphic and text about property valuation services.

# The danger of a constitutional fiasco

DEVOLUTION, direct to the European Parliament, has emerged, ink and staggering constitutional fiasco. The Government's programme is now in danger of stumbling into the Cabinet, which met for its second session European Parliament last night. The Minister and his colleagues have taken the view that the Government could scarcely survive the discussion but has directed on all that is known, in the military as 'frustration'.

It is not a particularly attractive moralists will take it as further Labour has lost all and is hanging on of a kind of dogged tenacity. But the more one looks at the situation, from the point of view of the prudent eye, the more one comes to the conclusion that the Government is not in a position to do anything to do with the European Parliament. The Government is now in a position to do anything to do with the European Parliament. The Government is now in a position to do anything to do with the European Parliament.



Mr. Ian Mikardo (left): Labour's Left would get a special Party Conference called. Sir Peter Kirk (right): some Conservatives would support a regional list system.

Some of these groups might be bought off by tinkering with the Bill in one way or another. There is nothing, of course, to be done about the principles of anti-Market. But it might be possible, in theory, to meet to Labour by adopting Mr. Peter Shore's suggestion that you can only become a Euro-MP if you were already a member of the Westminster Parliament. The problem of Labour abstentions under a conventional system might also be solved, in theory, by insisting that European elections should be held at the same time as Westminster elections, in which case Labour representatives in the European Parliament would benefit from the normal 60 per cent or more turn out. Objections to PR are more difficult to meet, but most objectors to the PR principle would probably be softened by the adoption of regional party lists on the ground that a system which put the elections off a quite new geographical footing could be more easily regarded as *sui generis*.

Yet the fact has to be faced that none of these amendments will allow the Government to get its Bill on Labour votes alone. There will always be too many opponents and, as in the case of devolution, one set can only be placated at the cost of angling the others still more. It follows, therefore, that the Government must put forward proposals which can be accepted by a sizeable section of the Conservative Party or if not wholly accepted are at least proposals of a kind which the Conservatives would be regarded on the Continent as being unreasonable in turning down.

The Shadow Cabinet is at present divided on both issues and their followers are certainly no more united. As things stand my guess is that quite a large number of Conservatives, including Sir Peter Kirk, the leader of the Conservative group in the European Parliament, would vote for a Bill based on a regional list system, though Mrs. Thatcher herself is strongly opposed. Free votes might well be the way out. On the other hand there will be a ferocious tussle before Conservative MPs are permitted, far less encouraged, to help the Government push a Bill through on time.

## Key questions

These criteria do not leave much room for manoeuvre. The Conservatives will certainly unite in opposing anything which is directly against the Common Market directive governing the elections. This rules out 'fiddles' like putting the election on the same day as a general election. They will also vote en masse against Mr. Shore's compulsory 'dual mandate'. The key questions are (a) whether they would unite against all forms of PR and (b) whether they would refuse to help the Government bring in a guillotine.

The Shadow Cabinet is at present divided on both issues and their followers are certainly no more united. As things stand my guess is that quite a large number of Conservatives, including Sir Peter Kirk, the leader of the Conservative group in the European Parliament, would vote for a Bill based on a regional list system, though Mrs. Thatcher herself is strongly opposed.

**Folly**  
Nearer home two other important considerations come into play. The Liberals are no doubt bluffing to some extent when they say that the introduction of satisfactory legislation on direct elections is part of the price of their continued support to the Government. It would be an act of considerable folly on the part of a party in a weak position as Mr. David Steel is to bring down the Government deliberately at this stage. But in Parliament, accidents will happen, especially when morale is low and a situation in which the Liberals are grudging and unreliable allies is appreciably

in effect. Others (again mainly on the Left) make the practical objection that direct elections are likely to lead to the growth of a British Social Democratic Party, based on the European Parliament, well-beeled with Community funds and independent of the Labour Party's arthritic constituency machinery. Another considerable tranche of Labour MPs on all sides of the Party would oppose one or other of the main forms of electoral system. Some believe that a conventional, first-past-the-post race in new single-member super-constituencies would be a disaster for Labour which would suffer the humiliation of gaining no more than five or 10 seats out of the 81 available because of massive Labour abstentions. Others would refuse to back any system of proportional representation because they believe that it would be the 'thin edge of the wedge' and would lead to the adoption of PR in Westminster elections.

## Letters to the Editor

**III pay**  
The Government and industry a package of £1.1 billion, but with a local level. I even had it that on parts of inter-TCU who wrote the bid better to be a department. The Government had a policy had at least one of workers that was rightly being if not being adequate with.

**Transport in London**  
Sir, Horace Cutler continues his campaign at the Labour GLC and the Labour Government's subsidies to London Transport, in your letters column, March 15. We know that he and his colleagues in Parliament favour drastic cuts in those subsidies. Such cuts would result in: (1) a substantial reduction in London Transport staff, with drastic consequences for bus and tube services; (2) a cutback and shortening of bus routes with the consequent confusion and inconvenience to passengers; (3) an emphasis on the free and concessionary travel enjoyed by nearly 50 per cent of Londoners.

**British Leyland break-up**  
From Mr. A. Newman.  
Sir—With reference to the letter from Mr. David Walkden (March 14) I would strongly disagree with his thoughts of building yet another monolithic structure as a counter to the already existing cause of the present problem. To raise one giant to fight another will not solve the current dilemma but add further to the Government's lament.

**Milk and mail charges**  
From Mr. A. Thomson.  
Sir—How is it that a dairy farmer, ten miles from here, can produce, bottle, and deliver a bottle of milk, weight approximately two pounds, for eleven pence while the Post Office requires no less than forty-five pence for local delivery of a parcel of equivalent weight? A. Stuart Thomson, Auchraus of Muller, Craigend, Perth.

**Cream with everything**  
From Mr. R. Farquhar-Oliver.  
Sir—It was heartening to read in your newspaper (Farming and Raw Materials page, March 15) that at least some people in high places are prepared to stand up for British traditions. I refer to Dr. Strang's absolute rejection of an EEC proposal that our custard creams, cream crackers and even our ice cream should have cream dumped into them. The foreigners evidently don't realise that the proper thing to make ice cream of is emulsified sausage-residues; but John Bull does realise it and the sooner that is brought home to them the better.

**GENERAL**  
Retail price index for February published by Department of Employment.

**CONFEDERATION OF BRITISH INDUSTRY**  
Representatives meet Mr. Roy Hattersley, Prices Secretary, on Government's proposed price policy.

**BRITISH LEYLAND**  
Due to announce year's results.

**DR. GUIDO BRUNNER**  
EEC Commissioner for Research and Energy, ends two-day talks on nuclear fuel supplies with Dr. James Schlesinger, White House energy adviser, Washington.

**MRS. SHIRLEY WILLIAMS**  
Education Secretary, speaks at education standards regional conference of Anglo-Austrian Society, House of Commons.

**PARLIAMENTARY BUSINESS**  
House of Commons: Private Members' Motions.

**OFFICIAL STATISTICS**  
Crust domestic product (fourth quarter, provisional).

**COMPANY MEETINGS**  
Glasgow Stockholders Trust, Glasgow, 11. Leyland Paint and Wallpaper, Leyland, 12.30. Pyke (W.I.), 16 Berkeley Road, W. 12. members of Bullock Committee: Tace Essex Hall, W.C. 11. Viking Oil, Edinburgh, 12. Wiggins Teape, Basingstoke, 12.

**MUSIC**  
Organo recital by Peter Moore, St. Paul's Cathedral, 12.30 p.m.

**CHAMBER CONCERT**  
Directed by Yona Ettlinger, Guildhall School of Music and Drama, John Carpenter Street, Victoria Embankment, E.C.4., 1.10 p.m.

# VISIT THE SCOTTISH NEW TOWNS IN LONDON.

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THE SCOTTISH NEW TOWNS  
19 Cockspur Street, London SW1Y 5BL. Tel: 01-930 2631.

**Unwittingly political**  
From the deputy managing director, Chrysler U.K.  
Sir—I should like to clear any misunderstanding which may have arisen over my appearance in a film used on all television channels on Wednesday evening, March 16 as part of the Labour Party's political broadcast. I have never at any time given my permission to the producers of the film or the television networks to use this film in support of political objectives. As deputy managing director of Chrysler U.K., numbering amongst my responsibilities the personal and industrial relations functions, it would clearly be most unprofessional of me to associate myself publicly with any political party either of the Right or the Left. F. L. Griffiths, Coventry.

**The effects of multinationals**  
From Mr. W. Whalley.  
Sir—Geoffrey Owen (March 10) touches on the topic of American-owned concerns manufacturing in this country. Possibly from diffidence or complexity this is a subject seldom treated in relation to British industry. It seems obvious that a British owned concern is more beneficial than a foreign owned one, since profits and service charges are disbursed in sterling in this country instead of being remitted abroad in dollars. The foreign concern selling wholly in the British market seems to be a dead loss to the economy. Even the employment it provides would otherwise come from a British firm.

**Carry on doing the pools**  
From the Managing Director, Pinn Invest Group.  
Sir—A great deal of publicity has been given to Mrs. Whitehead's claim that her late husband won a substantial sum of money on the football pools in 1961. The tragedy which has dogged this unfortunate woman over the years was dramatised by the BBC on Tuesday evening in the play "Spend, Spend, Spend". By now, many people must have been given the impression that sudden wealth can bring nothing but unhappiness and misery, so for the benefit of those readers who enjoy filling in pools coupons, making every Saturday night a potential watershed in their lives, may I offer some reassurance. It is my experience that the great majority of winners make the transition smoothly, even serenely, and draw enormous comfort and enjoyment from the security which a large sum of money can bring. Not only do

COMPANY NEWS + COMMENT

Hepworth Ceramic climbs to peak £18.85m.

Turnover of clayware and refractory products manufacturer, Hepworth Ceramic Holdings, advanced from £137.37m. to £162.42m. during 1976 and profit was a record £18.85m., compared with £12.85m., subject to tax of £9.81m. (£8.54m.).

At half-time profit was up from £8.03m. to £9.03m.

Stated earnings per 25p share for the year increased from 6.57p to 9.01p. Dividend total is the maximum permitted 2.1539p (1.849p) with a net final of 1.1283p.

Profit is struck after depreciation of £6.12m. (£5.41m.). Interest £0.35m. (£1.1m.) and includes share of profit of associates £57,000 (£74,000). In 1975 there was an extraordinary debit of £0.25m.

The 1976 attributable balance comes to £9.03m. (£8.03m.) and £6.9m. (£4.6m.) is retained.

The clayware division contributed a pre-tax profit of £5.73m. (£5.0m.), the refractories division £1.03m. (£1.47m.), the industrial sands and minerals division £4.61m. (£1.98m.) and the plastics division £1.92m. (£1.94m.). The group's two remaining divisions, foundry resins and equipment and engineering and miscellaneous, produced increased profits of £1.40m. (£1.34m.). Exports from the U.K. amounted to £19.9m. (£19.94m.).

Mr. John F. Booth, chairman, states that the group's performance in 1976 is regarded as very satisfactory particularly since the first half difficult trading conditions continued throughout the year as a whole.

The overall result is due in no small measure to the Board's policy of sustained growth, maximum efficiency, curtailment of unprofitable activities and improving general liquidity, he adds.

Mr. Booth said that the current trading outlook and general economic situation remained poor but the directors will pursue the policies enumerated in the past.

comment

Hepworth Ceramic has come in with a 46 per cent. profit jump—right up to expectations. Yet, after a hectic year, the latter trading days the shares shed 1p in 3 1/2p where the p/e is 5.8, a full three points below the industrial average. This is despite a dividend yielding 6.2 per cent., four times covered. Moreover, the new U.S. acquisition, clay pipe maker W. S. Dickle, will start contributing immediately to profits, and its manufacturing capacity is half that of Hepworth's itself, the largest pipe clay maker in the world. The mineral grinding operation, a new spinoff from industrial sands, has produced 40 per cent. of the total profit growth and is only just getting under way. The refractories division has put on 45 per cent. despite a worldwide steel recession which is now beginning to come right. And even the clay pipe side has added 13 per cent. at a time when the construction industry is in the doldrums. The company is also well placed to safeguard its future position; it intends to spend £16m. this year on plant replacement (funded from cash flow) and it spends 5 1/2m. per year on research and development.

INDEX TO COMPANY HIGHLIGHTS table with columns for Company, Page, Col., Company, Page, Col.

Plantation Hldgs. up to £3.52m.

AFTER interest charges down from £211,000 to £139,000, profit for 1976 of Plantation Holdings increased from £2.26m. to £3.52m. subject to tax of £1.66m., compared with £1.01m.

At half-way profit was up from £0.71m. to £1.21m.

For the year, stated earnings were 4.7p (3.3p) and the final dividend is 1.995p net for a maximum permitted 1.955p total, against 1.7732p.

Turnover was £27.15m. (£23.96m.). There were extraordinary credits amounting to £1.92m. (£0.32m.) and a minority of £2.16m., compared with £0.14m.

Of profits, £2.14m. came from the Malaysian plantations and £1.27m. from the U.K. companies.

Both rubber and palm oil prices increased during the year, but with rubber ending below its best.

The improved prices, combined with exchange rate changes, resulted in record profits from these interests, say the directors.

A substantial contribution was made by the Scientific Instruments Group, which, following reorganization last year, increased its profits from £365,000 to £847,000.

Light engineering had a difficult year, particularly during the second half but achieved profits of £520,000 against £383,000.

Margins in the consumer and video group remained under pressure throughout the year and demand was erratic. Product ranges have been rationalised at some cost in stock write-off, with an overall loss of £94,000.

comment

Several important divisions came right for Plantation Holdings in 1976. The major plantations side benefited from the improvement in palm oil prices and the fall of sterling, while scientific instruments continued its rapid growth. The strategy now appears to be to reduce the importance of the plantation earnings and find a cash generating business which will feed the successful, but cash-hungry scientific instruments division. The company will thus join the ranks of the unfashionable in becoming a conglomerate.

One consequence of this status is that the freedom from dividend restraint which some plantation companies now expect to enjoy will not be available. Another is that the company will not be attractive as a takeover target, so the large stakes held by Pahang and Hotchinson, if they are sold, will probably go at a discount to the market price rather than a premium. The shares at 48p yield 7.9 per cent. on a p/e of 8.1.

Gibbons Dudley advance

SECOND HALF 1976 pre-tax profit of Gibbons Dudley increased by more than 21m. to £2.7m. (£1.08m.), lifting the year-end total to a record £3.85m., compared with £2.54m.

Net final dividend is 2.46875p for a total of 3.965p (3.055p) per 25p share, and a one-for-two scrip issue is also proposed.

Financial summary table for Gibbons Dudley with columns for 1976, 1975, 1974.

comment

Gibbons Dudley's 33 per cent. profits rise brings them well above the half-time forecasts of £2.4m. The main momentum was at Refractories where more than doubled profits came from improved market share, better capacity utilisation, and an efficiency drive. Buoyant sales of GB's top-quality bricks helped Building Products produce a 50 per cent. rise in profits, but the prospects here for this year look bleak, with forecasts of a drop of a tenth of the year's sales. Margins continued to slip in the Engineering side and are now 4.9 per cent. (6.3 per cent.) with little prospect of recovery until the heavy capital investment cycle turns up.

All round, GB is facing a difficult year, but should be able to push an increase in profits. At 65p (up 3p) the shares yield 8.3 per cent. and the p/e is 4.3, hardly a full rating for a group that has increased its profits by more than three times in four years.

Progress by Wolseley Hughes

Due principally to the continuing good performance of the engineering division and a further improvement in the contracting division, the pre-tax profit of Wolseley-Hughes expanded by almost 62 per cent. to £1.1m. for the six months to January 31, 1977.

The net interim dividend is 3.022p per 25p share (2.75p) — last year's total was 6p and profit £4.22m.

The agricultural companies are producing increased sales and profits—lawnmower sales have started to improve but much depends on the weather during the summer months, says Mr. J. Lancaster, chairman. The immediate outlook for the group is encouraging, he adds.

comment

The 62 per cent. pre-tax growth at Wolseley-Hughes is remarkable in view of the depressed state of the building industry. While several distributors of central heating equipment have been in severe trouble, Wolseley has improved its market share. It now claims to hold 18 per cent. and no other distributor approaches this figure. The size of the operation obviously facilitates economies which make it resilient and profitable. Meanwhile the engineering side continues to make progress and the agricultural/horticultural side should recover. But no radical turnaround on lawnmowers should be expected this year because the dealers first have to sell the stocks they were left with last year because of the drought. Nevertheless, the full year could bring pre-tax profits of £3.4m. or so (against £2.2m.) to make for a prospective p/e at 12 1/2 of only 5.8. And when the building industry recovers there should be further growth to come. The maximum yield is 7.6 per cent.

comment

The tea holding company McLeod Russel intends to recommend dividends of 10p net on the Ordinary and Preferred Ordinary shares for the year to March 31, 1977, as against 8.45p and 8.67p respectively for 1975-76. As the intended Ordinary dividend exceeds 8.67p, the Preferred shares will be automatically converted to Ordinary shares on payment of the dividend. In Wednesday's report the Preferred Ordinary shares were inadvertently described as Preference shares.

DIVIDENDS ANNOUNCED

Table of dividends announced with columns for Company, Current payment, Date, Corresponding year, Total last year.

William Collins tops £5m.

AFTER being ahead from £1.57m. to £1.6m. at half-way, publishers William Collins and Sons achieved a record pre-tax profit for 1976 of £5.22m. against £4.2m. Sales increased by 55.5m. to £40m. The directors say that overseas operations which accounted for 58 per cent. of the group's turnover showed 'substantially increased' profits.

Stated earnings per 25p share increased from 17.5p to 21.1p. The dividend for the year is stepped up to 4.135p (3.775p), the maximum permitted, with a final of 2.553p net.

Financial summary table for William Collins with columns for 1976, 1975, 1974.

comment

The acceleration in second-half profits at Wm. Collins (up by 28 per cent. against 18 per cent. at the interim stage) is due to success with the Good News Bible. The company has had a major contribution from contract sales and economies of scale in the new factory. These special factors added spice to an improving trading background, with retailers restocking and a buoyant pre-Christmas season again after the lapse in 1975. The one flaw in Collins' results is the 29 per cent. rise in interest charges in the second half after a 27 per cent. fall in the first half. But this was due to the stock build-up in October which required extra borrowings. At the year-end, debt was 51 per cent. of shareholders' equity against 61 per cent. the previous year. Having solved its gearing problem, Collins looks set to move ahead—a fact which the p/e of 7 1/2 (on a full tax charge) of 140p still has caught up with. The rise in the 4.6 per cent. is covered 4.4 times.

HTV over £1.1m. at midway

PROFIT OF HTV Group rose sharply from £655,640 to £1,198,494 in the first half to January 31, 1977, subject to tax of £557,000 (£558,000). Turnover was £9.4m., against £8.47m.

Profit includes an Exchequer levy of £1.32m., compared with £0.92m.

Stated earnings per 25p share are 5.53p (£3.0p) and the net interim dividend is 2.5p—a special interim of 3.5p has already been declared for the current year. Last year a single 1.5p interim was paid followed by a one-for-two scrip issue.

comment

HTV's figures are in line with IBA advertising revenue. TV turnover is up 30 per cent. against an industry average of 27 per cent. and profits are lifted 38 per cent. thanks to a fairly moderate rate of cost inflation. Also fine art dealer Frost and Reed has made its first interim contribution of nearly £200,000 to show its potential in evening out fluctuating advertising revenue on the TV contracting side. Further diversification can be expected but nothing concrete is in the pipeline. Though with net cash of £2.6m. in the last accounts (before term loans) HTV is obviously hoping to give itself the broader base of some of its contemporaries. The interim dividend is higher for a yield of 12.4 per cent. over the last 12 months (there is some room to manoeuvre under its recent scheme of arrangements) if given the shares at 77p potential for some further strength, as the return is now in line with those of Ulster and Westward.

James Wilkes declines to £0.23m.

Business forms and equipment manufacturer James Wilkes declined further in the second half from £187,918 down to £104,644 to end 1976 lower at £231,492 against £374,492. Sales were marginally ahead at £6.87m. compared with £6.43m.

Stated earnings per 25p share were 3.3p (5.7p) and the net final dividend is maintained at 2.067p making a total of 3.453p (same). Net profit after tax of £108,074 (£210,920) was £123,418 (£164,572). Extraordinary debit nil (£38,709).

NEW COURT EUROPEAN

N. M. Rothschild has been instructed to prepare a unitisation scheme for New Court European Trust. This would be for shareholders consideration with a view to implementation by July 31, 1977. The move was foreshadowed at the A.G.M. on January 19 when the Board said that it was considering alternative plans, including unitisation, to bring its share value more into line with the asset value.

ISSUE NEWS AND COMMENT

Sale Tilney £0. rights at 110p

Sale Tilney, the engineering to food distribution group, is proposing to raise £383,000 by way of a one-for-three rights issue at 110p each. At the same time the company announces a hefty jump in pre-tax profits to £1.28m. from £854,000 to give earnings of 32p (18.8p) per share.

The dividend is lifted from 4.52p to 4.7375p per share with a final of 2.46875p. The company is forecasting a total dividend of 10.2375p for the current year to November 1977.

The rights issue is underwritten by Cazenova and Company, and dealings are expected to start on April 5.

Proceeds of the issue will be used to finance the company's expansion, which will cover both its industrial and food divisions plus developing its export business. The Board believes this expansion should be financed by way of permanent capital.

The directors believe that the company will have another successful year in 1977, though there is no forecast.

An EGM is called for April 4.

comment

Sale Tilney is not giving a lot away in its preliminary announcement, but a jump of 38 per cent. in profits together with the 110p dividend forecast was enough to get the shares soaring. The food distribution side has evidently benefited from less administration and the engineering division has taken advantage of the weakness of sterling to boost its figures (only a tenth of sales originated in the U.K. during the previous year). In the context of borrowing of £4.5m. at November 1975, a 50.6m. rights does not appear to be a major development, but the proceeds are, as already remarked, for specific capital expenditure (see yet another borrowing of £4.5m. at November 1975). With the sharp increase in the dividend, giving an ex-rights yield of 10 1/2 per cent. after yesterday's 29p increase to 168p, the issue is unlikely to face any difficulties.

GENERAL ELECTRIC

Lazard Brothers acting on behalf of Campbell Nominees, which is the trustee for the sale and distribution of the net proceeds of the aggregate fractional entitlements arising out of the issue by General Electric of floating rate unsecured capital notes, have disposed of a fractional entitlement at market value of £165,000, against £144,250.

Earnings per £1 Deferred Ordinary stock are given at 34 1/2p (39p).

comment

The acceleration in second-half profits at Wm. Collins (up by 28 per cent. against 18 per cent. at the interim stage) is due to success with the Good News Bible. The company has had a major contribution from contract sales and economies of scale in the new factory. These special factors added spice to an improving trading background, with retailers restocking and a buoyant pre-Christmas season again after the lapse in 1975. The one flaw in Collins' results is the 29 per cent. rise in interest charges in the second half after a 27 per cent. fall in the first half. But this was due to the stock build-up in October which required extra borrowings. At the year-end, debt was 51 per cent. of shareholders' equity against 61 per cent. the previous year. Having solved its gearing problem, Collins looks set to move ahead—a fact which the p/e of 7 1/2 (on a full tax charge) of 140p still has caught up with. The rise in the 4.6 per cent. is covered 4.4 times.

Slater, Walker Securities Limited

The unaudited net loss of the Company for the six months ended 30th June, 1976 taxation and minority interests amounted to £6,342,000.

These results exclude profits of £698,000 which were realised on the disposal of investment properties but as no full review of the value of the remaining properties carried out, the Board consider it prudent to add these profits to the provisions included in accounts for the year ended 31st December, 1976 pending a full appraisal as at the year-end.

Interest on properties in the course of development amounting to £1,440,000 for the six months ended 30th June, 1976 has been included in the property results shown below. However, the directors intend to reconsider the treatment of this interest when the referred to above is available.

The Company has continued in its programme of realising investments and proper recovering the loan portfolio of Slater, Walker Limited. Continued progress in this respect has enabled Slater, Walker Securities Limited to purchase, in the market, the latter U.K. loan stocks issued by the Company and currency bonds issued by a wholly-owned subsidiary. The cost of the redemptions has amounted to £8.5 million and the nominal stock redeemed is £15.5 million. The profit arising has not been included in the results below.

The Board does not propose a dividend in respect of either the ordinary or preference shares for the six months to 30th June, 1976, and it is not anticipated that a dividend will be declared in respect of the ordinary or preference shares for the year to 31st December, 1976.

The detailed analysis of the unaudited results for the six months to 30th June is as follows—

Financial summary table for Slater, Walker Securities Limited with columns for £'000.

No dividends were received from the Insurance Companies during the period and no figures have been included in respect of the banking subsidiary in view of the guarantee arrangements detailed in the Report and Accounts for the year ended 31st December, 1975.

Note:—The Company will not be posting copies of the interim statement to shareholders.

Slater, Walker Securities Limited

8 Old Change Court, London EC4M 8DA

Adams & Gibbon Ltd

Extracts from Chairman's Address: The group net profit before taxation earned in the year ended 30th November 1976 amounted to £652,000 compared with £643,000 in 1975. In our 1976 interim statement we made reference to Vauxhall Motors' increased share of the national new passenger car market, and in the latter part of the year in particular we were able to take advantage of this fact, so that over the year as a whole the upward trend of our own new car sales was in excess of the national market increase over 1975 of 88%.

Our Bedford truck sales were ahead of 1975 and this market appears to be significantly improved. The current financial year has commenced reasonably well, some measure of stability can be maintained in the national economic situation during the year, the dividend see no reason why the group can make further progress during 1977.

Vauxhall/Bedford, Opel, Datsun, Citroen & Morris Dealers



Look before you lease. Finding a new tenant, or new premises for your company, can be a long, expensive, time-consuming job. And even when they're found, the job isn't over. Because there's then the task of negotiating draft leases, agreeing on things like rent reviews and repairing clauses, and ironing out a hundred-and-one details to the satisfaction of both landlord and tenant. And these days, with costs rising inexorably, it just doesn't make sense to make the job harder than it need be. Luckily, there's an efficient way of doing it. And that is, by employing property specialists like St. Quintin—who have been advising landlords, tenants and property investors for nearly 150 years. Whether you're a landlord looking for a tenant, a tenant looking for premises in the UK or Europe, or just someone who wishes that the property side of his company's life ran as smoothly as the rest of it, looking at St. Quintin and their services could well be a good move.

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MINING NEWS

General Mining holds steady

BY PAUL CHEESBRIGHT

THE SOUTH African mining finance house, General Mining, is maintaining its final dividend at 120 cents (80.2p), following the rapid expansion of its investment portfolio...

GOLD OUTPUT DECLINING

South African gold output declined during February for the fifth successive month. Production at 1,723,431 ounces was the lowest since 1972...

Costs increase at Deelkraal

THE COST of bringing the developing Deelkraal gold mine in South Africa to production has risen to R125m (£8.5m). This is disclosed in the annual statement of the chairman, Mr. R. A. Plummer...

HOME HURT BY GOLD PRICE

Higher costs and lower bullion prices have hurt the operating profits of the Canadian gold producer, Dome Mines, last year but a sharp increase in income from affiliated companies allowed net profits to rise...

BANK RETURN table with columns for Assets, Liabilities, and various bank-specific metrics.

ABBEE PANELS LTD

The Annual General Meeting of Abbee Panels Limited was held on 17th March at the Skyline Hotel, Hayes, Middx. The following are the main points from the circulated statement of Mr. E. Loades, Chairman and Managing Director.

LONRHO Where will Tiny strike next?

BY MARGARET REID

"Where will Lonrho strike next?" was the uncomfortable query in City and company Boardrooms yesterday after Mr. Tiny Rowland's unpredictable conglomerate group had brought off a major surprise with its £7m purchase of a 24 per cent stake in Scottish and Universal Investments...

BIDS AND DEALS Estates House confirms talks

Commercial Union remained silent yesterday over a report that it is poised to make a takeover bid for Estates House, a private Trust, the company formed through a merger of 19 separate companies formerly associated with the interests of Sir Denis Lawson...

Hamilborne sells Reed & Malik stake

Hamilborne, whose offer for Reed and Malik has been rejected by the Reed and Malik Board, has sold its 28.3 per cent stake in the company to rival supplier, Rush and Tompkins for £225,000 at a profit of over £100,000.

Swans goes for a song

Hotelplan, the Swiss-based travel group which trades in Britain under the Inghams and Travel Travel banners, is taking over the goodwill of Swans Tours, a major activity of the Irish group, Swan Ryan International.

£6.3m. first-half loss by Slater Walker Securities

INVESTMENT bankers, Slater Walker Securities, announce a deficit of £6.3m. after tax and interest for the first half of 1977. For the previous comparable period there was a profit of £1.1m.

Best ever £0.85m. by Coltness

Coltness, the steelworks, has reported its best ever first-half profit of £0.85m. The loss excludes profits of £280,000 which were realised on the disposal of dealing and investment properties but as a full review of the value of the remaining properties has been carried out, directors consider it prudent to add these profits to the provisions included in the accounts for the year ended December 31, 1976 pending a full appraisal as at the end of 1976.

Adams & Gibbons sees more growth

The current year has started reasonably well for garage, parts and motor dealers and engineers Adams and Gibbons. Provided that some measure of stability can be maintained in the national economic situation, directors say they see no reason why the company cannot make further progress in 1977-77.

BAT Inds. sees moderate improvement in 1977

Mr. Peter Macadam, chairman of BAT Industries, told shareholders at yesterday's annual meeting that he expects a moderate improvement in profits this year (though the final outcome may be affected by further changes in exchange rates).

Macallan-Glenlivet falls midway

A slump in pre-tax profit from £17,000 down to £37,000 is reported by malt whisky distillers Macallan-Glenlivet for the half year to January 31. Sales were also lower at £9.8m. compared with £9.8m.

Centrovincial back in profit at mid-term

For the six months to September 25, 1976, Centrovincial reports a turnaround from a deficit of £194,000 to a surplus before tax of £346,000—already £222,000 ahead of the figure for the full year.

MONEY MARKET

Signal on interest rates

Bank of England Minimum Lending Rate 11 per cent (since March 10, 1977). There was a shortage of day-to-day credit in the London money market yesterday, and the authorities took the opportunity to give a signal on interest rates, by lending a moderate amount of five per cent discount houses for seven days, at Bank of England Minimum Lending Rate.

Table with columns for Mar. 1977, Sterling, Eurobank, Local Authority, Local Auth. negotiable, Finance House Deposit, Company Deposits, Discount, Treasury Bills, and Bill Rate.



*J.P. Macpherson*

# The earning power of our funds has been increased"

## STATEMENT BY THE CHAIRMAN, MR. T. N. RISK.

### To be presented at the Annual General Meeting on March 22nd, 1977.

#### RETIRING DIRECTORS

During the year we lost from our Board the services of one whose reputation in the world of finance, and the world of sport, was international. It is given to comparatively few men to be instantly recognisable by the mere mention of the initials of their Christian names. G. P. S. Macpherson was one of these. He joined our Board more than 40 years ago and has seen our assets grow in that time almost sixty-fold. He has served as an ordinary member of the Board, and also as its Chairman. To all that he did he brought a warm and sympathetic personality as well as an exceptional knowledge of financial and investment matters. We shall miss his advice, and himself even more, and we wish him all health and happiness in his retirement.

In Canada too time has brought its changes. Mr. R. D. Mulholland retired from our Canadian Board in November. His long experience with the Bank of Montreal qualified him to make a greatly valued contribution, especially on investment matters, to the deliberations of the Canadian Board during his decade of service. We wish him well in his retirement.

#### THE ECONOMY

Gray, in his ode, "The Bard," paints the picture of the ship of state sailing gallantly on.

Regardless of the sweeping whirlwind's sweep  
That, hush'd in grim repose, expects his evening prey,  
The parallel with our position today is only too easily drawn. No one, in theory, opposes the view that, if inflation cannot be halted, the ship of state is heading for the rocks. Unfortunately those who control the economy of the country seem to find it difficult to apply the obvious remedies. Expediency, rather than principle, is too often the watchword of political parties today. We started this year with rates of inflation which were frightening. We hoped they might be reduced to levels which, though in normal times were hardly to be thought of, might as economic factors altered in our favour give us some prospect of survival.

At one point during the year we seemed to be moving towards this goal, but, as so often before, the dawn proved to be false. The rate of inflation has been reduced, but it remains at a wholly unacceptable level. Worse still, we are in danger of coming to believe that a rate of debasement of our currency, which, not so many years ago would have seemed inconceivable, is now the norm and that the alternatives to allowing it to continue are worse. The life assurance industry is probably the greatest single contributor to the savings movement and from our point of view nothing could be more disastrous than the acceptance of this idea. The only foundation on which we can hope to build is that of a stable currency. Without it we labour in vain. It is not enough to hope that, if we can manage somehow to stagger through the next year or so, our problems will be solved for us by the production of North Sea oil. For one thing it is only too easy to exaggerate the potentialities of our natural resources, and for another many of the expected benefits have already been mortgaged against the foreign borrowing which alone has enabled us to maintain a standard of living which we cannot afford. Sooner or later the facts must be faced, and the crunch may come faster than we expect. This year's talks on prices and incomes policy are bound to be critical. A further fall in net incomes in real standards is hardly to be avoided. One hopes therefore for a bold and imaginative move to reduce direct taxation particularly at its penal upper levels which have done so much to discourage enterprise and initiative. Our future survival as a democratic country is at stake.

#### INVESTMENT CONDITIONS

In these conditions it is not surprising that during the year our investments in the British equity market have been comparatively limited. This does not mean that we are reluctant to play our part in providing capital for industry. On the contrary, new issues during 1976 raised a total sum of £950m. and as underwriters we took our share in making this possible. But the borrowing requirements of the Government during the year were greater by far and absorbed much of the new money available for investment. As a company with long term liabilities we do not believe that it is prudent to hold any major part of our assets in liquid form. In general our new money is invested as it is received and I believe this is normal practice in the insurance world. It follows therefore that if insurance companies materially increased their lending to the private sector it could only be at the expense of the demands of the public sector. What is really needed is an increase in production and profits which will generate the funds from which the necessary demands of both sectors can be met.

#### NATIONAL PENSIONS

The untimely death last April of the Rt. Hon. Brian O'Malley was a hard blow to the pensions industry. As Minister of State, Department of Health and Social Security, he won the respect of all who had to deal with him and we felt that the desire he expressed so often for a fruitful partnership between good occupational schemes and the State Pension scheme was sincerely held. His successors continue to assure us that this policy remains unchanged but only too often their deeds seem to belie their words. There has been an apparent unwillingness to correct technical faults in the legislation, some of which have far-reaching consequences. I think too of the application of the pay policy to occupational pension schemes, of proposals for legislation on the subject of worker participation, and of the general organisation of the mammoth task of adapting schemes to be ready for April 1978 when the new State Scheme comes into operation.

Employers are at the moment engaged in the task of considering whether or not to modify their existing pension schemes to enable them to contract out of the new State Scheme. There is a wide disparity between the benefits under a scheme which could be called a typical "good occupational scheme" and those which will just satisfy the minimum requirements to enable contracting out to take place. And yet the Government has decided that any increase in benefits beyond this minimum level must count against the permissible increases in remuneration. Moreover, the



Chancellor has refused to give any indication of when, if ever, this policy will be relaxed. A year ago we accepted the necessity for this in the short term fight against inflation. Its continuance however must inevitably lead to delays in improving benefits and through natural inertia increase the number of schemes which decide not to contract out. This is damaging to the interests of employees who are being denied benefits which otherwise might have been theirs, and by diverting contributions from a funded to an unfunded scheme must in the long run be more inflationary than a more encouraging attitude to the good occupational scheme.

The Secretary of State for Social Security assured us in September 1976 "We are fully committed to supporting the development of good occupational pension schemes." One wonders if the speaker had realised the effect on occupational pension schemes of the White Paper "The role of members in the running of schemes" or of the likely reaction to the Government's proposals for legislation arising from the Occupational Pensions Board's report on equal status for men and women. The first of these rejected the O.P.B. advice that this subject was best handled by a voluntary code of practice rather than by legislation, and both fail to recognise that the provision of pension benefits under a private scheme is a voluntary act on the part of the employer, for which he might expect encouragement rather than a series of legislative hurdles interposed in his path. The sheer complexity of the legislation existing and proposed is making it increasingly difficult for an employer, or his advisers, to know whether his scheme is within the law and is hardly consistent with the expressed purpose of supporting the development of good occupational pension schemes. The Minister's protestations that there is no ulterior motive in some of these proposals would be more credible if he were to show himself more willing to give reasoned replies to the arguments which have been advanced against them as to their likely deterrent effect.

All this is sad enough from an industry point of view. It is even more serious that the growing complexity of legislation is becoming an increasing burden to the Government itself and Government Departments too are clearly feeling the strain. We have always enjoyed cordial relations with the Superannuation Funds Office and the O.P.B. My comments are directed not at their hard working staffs but at those who have put burdens and responsibilities on them without providing the means to carry them out. The law suggests that provided a notice of intended election to contract out is made by mid-December 1977 and the scheme satisfies the requirements, then a contracting out certificate will be granted before the starting date of the new State Scheme. Yet, so recently as January the Chairman of the O.P.B. said "it would be a mistake to assume that if an election is sent to the O.P.B. by the end of 1977 all will be well... Thousands of employers throughout the land are holding consultations with workers and Trade Unions and seeking advice from the comparatively small number of experts who are qualified to give it. They are surely entitled to be given a definite deadline which, if achieved by them, will result in a contracting out certificate, even if only on a provisional basis. Present uncertainties make planning impossible.

#### DEVOLUTION

It would not be fitting for a major financial institution, with its Head Office in Scotland, to refrain from comment on the proposals for fundamental and far-reaching constitutional change now before Parliament. I view them with profound distrust and consider that, if they are implemented in their present form, they will lead almost inevitably to the break-up of the United Kingdom, which would advantage neither the Scots people nor our Company. To say this is not to deny the legitimate aspirations of Scots to be allowed to have a greater say in decisions which particularly affect their affairs, though I sometimes think the influence we already have is insufficiently recognised. What we desperately need is not another layer of government over our already top-heavy Local Government structure but greater local power and better government which can be achieved without setting up in Edinburgh an expensive Assembly, the exercise of whose functions, whatever the majority party in the Assembly might be, must be fraught with the danger of immediate and ever-growing conflict between Edinburgh and London.

We are a company based on Scotland, but we have a long history of operation

throughout the world. We have had direct experience of working in small countries with strongly nationalist tendencies and we have found that, in such conditions, the results we could achieve for our local policyholders were not so good as when we could take a broader view and when we enjoyed a greater freedom of action. This did not affect our policyholders in other countries for we seek to maintain appropriate assets in each country in which we operate. For example, investment profits or losses in Jamaica did not affect the bonuses payable to our members in Canada or the United Kingdom. If, therefore, Scotland became a separate State, it would in no way affect our English, Irish or Canadian members, who would continue to enjoy the security of the same investments as they do at present. The overall profitability of the Company, however, would almost certainly be reduced and the loss would fall on Scottish shoulders. It is not for me to enter the political arena and to suggest an alternative solution but I hope and trust that, in reaching any decision, we shall not allow the carry business sense and shrewd realism for which the Scots have earned a reputation and positions of influence wherever they have settled, and to which we owe much of the success achieved over centuries by our small country, to be swamped by a passing wave of emotional nationalism.

#### CANADA

The current economic and financial situation in Canada is far from easy. The anti-inflation measures have been in force for just over a year and have succeeded in reducing the excessive wage demands and inflationary tendencies on which I commented a year ago. At the same time the economic recovery has not made the progress one would have hoped for at this stage. One reason is that growth in demand has everywhere been sluggish. Another, as in the United Kingdom, has been the inhibiting effect on investment of the limitation on profits inherent in the price control programme.

To these economic uncertainties must be added the prospect of a major political confrontation arising from the success of the Parti Québécois in the recent provincial election. As a company with its head office for Canada in the Province of Quebec but transacting business throughout the Dominion, we must hope that good sense will prevail. Much of what I have said earlier on the subject of devolution in Scotland can be applied, mutatis mutandis, to the Province of Quebec.

The year saw changes in our senior management. We took leave of our General Manager for Canada, Mr. G. T. Westwater, after some 43 years of service. Trained in Edinburgh he was sent to Canada at the end of the War to spear-head the planned expansion of our Canadian activities. He became General Manager for Canada in 1957 and has seen the size and influence of the company growing greatly from year to year. We salute him for his personal qualities as much as for his work and wish him health and happiness in his retirement. To succeed him the Board has appointed Mr. J. C. Burns to be President, Canadian Operations, and we wish him well in his new appointment.

#### VALUATION RESULTS

At the end of our financial year Stock Exchange prices were lower than the levels ruling at its beginning, with a consequent reduction in our investment reserve. Since 15th November the whole of this reduction has been more than recovered, evidence if such were needed of the volatility of market prices and their comparative irrelevance in judging the prosperity of Standard Life, viewed as a continuing business. The very decline in prices presented us with favourable investment opportunities and the earning power of our funds has been increased. We have maintained the rates of reversionary bonus for ordinary life assurances at the levels to which they were raised last year. Reversionary bonuses on policies which benefit from the freedom from taxation granted to our Pension Annuity Fund have been significantly increased, as also has the total sum which will be distributed by way of cash bonuses to holders of Group Life and Group Pension contracts. Our terminal bonuses will, this year, show a modest improvement over last.

In addition to the favourable investment conditions we have benefited this year from mortality experience being lighter than expected. We have decided to reflect this by adopting the most recently published tables for assured lives, and to strengthen the basis of valuing most of our annuity business by assuming lighter rates of mortality than those shown in the standard tables.

The cost of the bonuses which have been declared is, in round figures, £52,000,000. When one reflects that this sum exceeds the total amount of our funds a bare thirty years ago it shows how our company has grown and prospered over the years. It is no easy task to maintain the pre-eminent position to which we are accustomed and if inflation continues unchecked it would be foolish to assume that we could continue to earn profits for our members at these levels. I am, however, convinced that we are as well equipped to meet this uncertain future as any other company.

#### STAFF

This will be the last time I shall preside over our annual general meeting. I look back over the eight years during which I have held the office of Chairman, during which our assets have more than doubled, with natural pride in this great company which I have had the honour to serve and with confidence that my successor, Mr. A. M. Hodge, is taking over a well found ship. If there is one thing which has become ever more apparent to me in my tenure of office, it is how much of our success is due to the quality of our staff at all levels and to the highly developed team spirit which is to be found throughout our organisation whether at Head Office or in our branches at home or overseas. My last words must be of thanks, and these are no mere formality. I wish to thank our General Manager and his colleagues for the magnificent lead they have given to our progress and to say how much I value and have enjoyed the close personal relationships we have established in working together. Finally, I pay tribute and offer warm thanks to my colleagues, past and present, on the Board for their unfailing support and encouragement to me and for their important contribution to the success of the Company.

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Investment Trust Review

Published by The Association of Investment Trust Companies.

A new feature—and why

by David Hunter Johnston

Chairman, The Association of Investment Trust Companies

TODAY we begin a new feature. On the third Friday to each month (the fourth Friday next month to avoid Easter) The Association of Investment Trust Companies will take a whole page of the Financial Times to provide a monthly Investment Trust Review. The lower part of the page will be occupied by the own familiar monthly table of net asset values: the upper part will carry an article written, usually, by someone outside the investment trust movement and a column contributed by a broker specialising in the investment trust market. Next month the main article will be contributed by Mr. Lewis Whyte, Chairman of the London and Manchester Assurance Co. Ltd. The broker's column will be supplied for the first three months by Mr. Jonathan O. Carr of L. Messel & Co.

The Investment Trust Review will thus provide three things:

The latest information about the net asset value of investment trust shares.

Brief comment from a specialist broker on recent developments in the market.

An independent and authoritative comment on investment trust companies and their shareholders.

I emphasise the word "independent". Both our guest feature writers and the author of the broker's column will be free to write what they please. Occasionally (as now) the Association

may have an announcement to make or something to say.

Investment trust shares are emerging from a period of undervalued discount. This is the time for reappraisal. What is the rationale of the investment trust movement? What do investment trust companies do for shareholders? What is the quality of investment trust management? What about the discount? And what are the prospects?

Objectives

Investment trust companies exist to provide a medium of collective investment whereby investors, small and large, personal and institutional, may participate in a flexible and diversified portfolio under professional management.

The investment objectives of investment trusts differ. Some cater primarily for those who require a relatively high and growing income from their investments; others for those who are chiefly interested in long-term capital growth; the majority try to maintain a balance between both these ends. A few trust companies have a split capital structure intended to provide for the needs of two kinds of shareholders through a single instrument. Some trusts pursue a policy of geographical specialisation and others a policy of industrial specialisation; but the great majority maintain portfolios which are well-diversified both geographically and industrially.

Diversification and professional management

Besides all the ordinary hazards of trade, an investor has nowadays to take account of political and economic events throughout the world, many of which are virtually unforeseeable. When they occur they call for rapid adjustments of position, and it is difficult for a private investor to be comprehensively and punctually aware of all that he needs to know. But diversification is much more than a defensive technique. It reduces the average risk to which a fund is exposed and offers participants a relatively secure form of equity investment. It also allows a fund to take an interest in a wide variety of attractive enterprises in different parts of the world.

Success in the management of a portfolio of investments depends largely on striking the right balance between selectivity and diversification. A portfolio which included every quoted stock in an amount proportionate to its market capitalisation, or more realistically to its composition and continuously adjusted to be a representative sample of the market, would behave exactly like the whole, save for the loss of value caused by the costs of dealing. But selecting investments which, it is anticipated, will produce a better than average performance also creates the possibility that the result may be worse than average.

Fortunes can be made, if all goes well, by concentration on a handful of stocks; but if things do not go well

fortunes are lost thereby. There have been plenty of illustrations of this in recent years, property shares being an example that comes immediately to mind.

But a portfolio of half a dozen equities, bought on the basis of insufficient knowledge and inadequately supervised, is not a safe place for anyone's savings. Only the very rich, a rapidly disappearing group, can arrange for the professional management of a personal portfolio. For others the answer lies in collective investment in one form or another, pooling many small amounts of capital into a fund for which diversification is a practical possibility and for which full-time management can be provided at an economic cost.

The collective investment fund is thus a natural and logical extension of the basic idea of the joint stock company with limited liability, the creative idea on which the economic development of the free world since the middle of the 19th century has been built.

There are two general purpose media of collective equity investment: investment trusts and unit trusts. There are about 250 companies recognised as investment trusts under Section 359 of the Income and Corporation Tax Act 1970 and, of these, 231 are members of The Association of Investment Trust Companies. On 31st December 1976 the assets less current liabilities of 206 investment trust companies included in the Bank of England statistics amounted to £5,918m. The average size of investment trust companies on 31st December 1976 was thus about £28.7m.

Management performance

Before considering how well collective investment works in practice, some preliminary observations need to be made.

At the "performance" of a representative index is generally superior to the performance of all investors taken together, or to the performance of an actual portfolio having the same composition as the index. The movements of an index reflect the movement of mid-market prices and when

it becomes necessary to change the composition of an index (because of amalgamations or liquidations, or to adjust the weighting) stocks are taken out or introduced at mid-market values. A real portfolio, however, whether static or growing, has to bear the loss of value occasioned by the "jobbers' turn, brokerage, stamp duty, the 25% surrender rule (in respect of overseas investments) and, in most cases, tax on capital gains. It follows, paradoxically, that a performance which matches the index is better than average.

For the present purpose we compare the performance of investment trusts with the best available index of U.K. ordinary shares, without allowance for the overseas content of investment trust portfolios, because for the majority of investment trust shareholders direct investment in foreign securities is not a practical alternative.

We are concerned first to examine the performance of management in handling investment portfolios, and therefore confine ourselves to asset performance as measured by net asset value.

The figures relate to the 30 constituent companies of the Financial Times-Actuaries Investment Trust Index and have been calculated from public sources and from additional historical information supplied by the trusts concerned.

The tables show the asset performance

since 31st December 1976 of the companies in the F.T.-Actuaries Investment Trusts Index compared with the F.T.-Actuaries All-Share Index. The figures are simple unweighted averages of the figures for the 30 constituents. There is, of course, a great range of variation between the best and the worst individual performances.

The investment trust companies outperformed the F.T.-Actuaries All-Share Index over all periods except the 2 year period to 31st December 1976. These figures demonstrate beyond dispute the merits of collective investment in diversified portfolios under professional management and show that investment companies have no need to fear comparison with any other medium in this regard.

The third column, which gives figure for share price performance, presents a different picture. The F.T.-Actuaries Investment Trusts Index under-performed the All-Share Index for all periods except the 3 year and 4 year periods to 31st December 1976.

The difference between management (asset) performance, and share price performance, reflects the fluctuating discount on net asset values and, especially, the much increased level of discount which has prevailed during the past few years.

Many influences have contributed

to bring about a widening of the discount since about the middle of 1972 and there is not space in this article to discuss them adequately. Undoubtedly, however, one important factor during the past couple of years or so has been a wide-spread but mistaken belief that the management performance of investment trust companies has been poor. This we have shown to be untrue. The facts are now better and more widely appreciated than they were even a few months ago.

A more accurate appreciation of the management achievements of investment trust companies and of the advantages of having a stake in a portfolio substantially invested overseas, in a manner not otherwise possible for ordinary investors, has also led to a more realistic valuation of investment trust shares. Discounts have narrowed appreciably from the irrational levels which they reached in the early summer of 1976. This reappraisal has been accompanied by a number of projected takeovers which have themselves reduced a realization that investment trust shares were in the bargain basement.

The future

This process of reappraisal will continue. Investment trust companies, like other sectors of the market, are indeed like every part of the British economy, have their problems, but they have no reason to fear informed and searching comment, and managers welcome constructive suggestions from any quarter. The past few years have been uncomfortable and also exhilarating; and managements are on their toes. The economic and financial problems of the U.K., and indeed of the free world, are such that no one can guarantee success; but I am confident that whatever the next few years may hold in store, investment trusts will achieve results as good as those achieved by any other group of investors and that, in the future as in the past, investment trusts will prove a reliable and rewarding medium of investment for private individuals and institutions alike.

Percentage Changes

Table with columns: Asset Performance, F.T.-Actuaries All-Share Index, Share Price performance. Rows: 1 Year, 2 Years, 3 Years, 4 Years, 5 Years, 10 Years.

Net Asset Values

The information in the columns below is supplied by the companies named, which are members of The Association of Investment Trust Companies. The figures, which are in pence except where otherwise stated, are unaudited.

Main table with columns: Total Assets less current liabilities, Company, Shares or Stock, Date of Valuation, Annual Dividend, Net Asset Value at nominal or market value, Investment Currency Premium, Total Assets less current liabilities, Company, Shares or Stock, Date of Valuation, Annual Dividend, Net Asset Value at nominal or market value.

\* Applies to Ordinary/A Ordinary only. Includes special dividend, or adjusted for scrip issue, or adjusted for rights issue. Company will announce first and/or interim results forthwith. Valuation two-monthly. Not directly comparable with previous published figures. B Dependent on "B" share conversions. Change in the price charges since the previous published figure.

Aro of Ma

By Joseph L. Messel

There has been an announcement in the month of January. Just after the end of the year, the market was in a state of confusion. The price of shares was low, and the market was in a state of confusion. The price of shares was low, and the market was in a state of confusion.

Handwritten scribble or signature at the bottom of the page.

GENERAL MINING AND FINANCE CORPORATION LIMITED

(Incorporated in the Republic of South Africa)

UNAUDITED CONSOLIDATED PROVISIONAL ANNUAL FINANCIAL STATEMENTS

Table with columns for 1976 and 1975, showing financial metrics like income before taxation, dividends, and assets.

Table with columns for 1976 and 1975, showing balance sheet items like share capital, reserves, and liabilities.

Directors

Text describing the company's performance, share capital increase, and financial results for 1976.

Table with columns for 1976 and 1975, showing financial metrics like liabilities and dividends.

DECLARATION OF DIVIDEND

Text regarding the declaration of a final dividend for 1976, including details on payment and shareholder registration.

APPOINTMENTS

Financial Director

for a well-known company long established in the UK, with substantial interests in consumer-orientated manufacturing and retailing.

This is a key role. Besides contributing to the development of company corporate strategy it involves total responsibility for the full range of accounting, support functions, and for data processing and financial staff management.

The requirement is for a qualified accountant whose business skills have been extensively developed in a similarly consumer-orientated environment.

Initial salary £12,500-£15,000 plus car. Preferred age 35 to 40.

Write in complete confidence to J. B. Tomkinson as adviser to the company.

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COMPANY NOTICES

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LEGAL NOTICES

THE COMPANIES ACT 1968 to 1967 NEW BURLINGTON STATES LIMITED NOTICE IS HEREBY GIVEN pursuant to section 293 of the Companies Act 1968...

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BARLOW RANO LIMITED. NOTICE IS HEREBY GIVEN that a Preference Dividend at the rate of 6% per annum for the half year ending 30th September 1976...

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must either produce their Certificates or voting tickets. Voting tickets may be obtained by depositing Certificates with the Depository or with Kredietbank S.A. Luxembourg...

INTERCOM SOCIETE INTERCOMMUNALE BELGE DE GAZ ET ELECTRICITE. The payment for the financial year 1976 of a dividend of BF 142, net of Belgian withholding tax...

N. M. LAND REGISTRY. NOTICE IS HEREBY GIVEN that the Registrar of Land in the Republic of South Africa has received the following applications...

PUBLIC NOTICES

OXFORDSHIRE COUNTY COUNCIL. £6.25 Million Bills issued 15th March 1977. £25 million bills issued 15th March 1977 at 10% including interest. Total £25m. Bills outstanding £25m.

INTERNATIONAL FINANCIAL AND COMPANY NEWS

Thyssen stays in black, 'will pay a dividend'

BY NICHOLAS COLCHESTER

SUPPORTED BY its trading and manufacturing activities, Thyssen-Huetten, the largest of the West German steel groups, has managed to stay in the black in the first half of the year...

Flat glass boosts St. Gobain income

BY DAVID CURRY

PARIS, March 17.

THE PARENT company of the St. Gobain-Ponté-Mousson group recorded a sharp increase in operating profit in 1976 but the overall net result fell short of the 1975 level...

Libyans appointed to Fiat Board

ROME, March 17

THE final chapter in the \$252m. deal between the Fiat-based Fiat group and the Libyan Government was reached today with the appointment of two Libyan representatives on the Fiat Board.

EURO-YEN

Japan 'to authorise' first bond issue

BY DOUGLAS RAMSEY

JAPAN is to authorise the European Investment Bank to undertake the first yen bond issue on the Tokyo market...

Problems at Triomf plant

BY OUR OWN CORRESPONDENT

JOHANNESBURG, March 16.

SOUTH AFRICA'S mercurial entrepreneur, Louis Luyt, who is the driving force behind the country's new daily newspaper, The Citizen, has other worries on his mind...

SOUTH AFRICA BANKING CRISIS

Lending policies backfire

BY RICHARD ROLFE IN JOHANNESBURG

EVERY BANKING crisis such as South Africa has experienced in the past few months no doubt has its deep-seated origins as well as its immediate cause. However, the overseas observer of the Republic might be surprised to hear that the crisis has been in the making for some time...

Underwritten Only two days after the lifeboat came the iceberg. Trust Bank was taken firmly in tow by Bankorp, a little-known group even in South Africa...

EUROBONDS Interesting at Inchcape

BY TONY HAWKINS

QUIET but steady conditions prevailed in the dollar sector of the secondary market yesterday but continuing demand was noted for floating rate notes...

Better year for Georg Fischer

BY OUR OWN CORRESPONDENT

ZURICH, March 17.

GROUP results of the Georg Fischer engineering concern should have returned to profit last year, despite a slight fall in turnover because of shifts in exchange rates...

Higher sales by Siemens

MUNICH, March 17.

SIEMENS AG world consolidated group sales rose to DM3.7bn in the first five months of the year ending September 30, 6 per cent up on the same 1976 period...

BANK OF AMERICA NATIONAL TRUST AND SAVINGS ASSOCIATION World Value of the Dollar

The table below gives the latest available rates of exchange for the U.S. dollar against various currencies as on Wednesday, March 16. These exchange rates have been compiled by Bank of America NT & SA's worldwide network of branches from various sources...

Table with columns: Country, Currency, Value of Dollar, Country, Currency, Value of Dollar. Lists exchange rates for various countries like Algeria, Argentina, Australia, etc.

Australian National boosts earnings

BY JAMES FORTH

SYDNEY, March 17.

AUSTRALIAN National Industries iron founder, Bradken Consolidated, engineering and steel, dated, were satisfactory. Profits for the six months rose 27 per cent in the January half year...

Nordic Bank Summary of Audited Accounts for the year ended 31st December 1976. Includes Balance Sheet, Profit and Loss Account, and Shareholding Banks.

Handwritten signature or initials in a box.

INTERNATIONAL FINANCIAL AND COMPANY NEWS

NJA proposes merger after heavy losses

WILLIAM DUFFLORCE
REPORTING a staggered commission examining the commercial steel industry. He is understood to have tried out his ideas on Mr. Lars Nabeth, the chairman of the Commission, to start merger talks before announcing them.

VIKING RESOURCES INTERNATIONAL N.V.
N.A.V. at 28.27
\$19.78 (D.Fs.49.38)

Possible rights issue at SG de B

BY DAVID BUCHAN
BRUSSELS, March 17.
SOCIETE GENERALE DE BELGIQUE may launch a new rights issue this year, the big holding company's chief executive, M. Paul Emile Corbain, told shareholders at the annual general meeting.

Brazil government turns down Light takeover plan

BY DAVID WHITE
RIO DE JANEIRO, March 16.
Sr Ueki has on several occasions denied any intention by the government to take over the company, which is the main supplier of electricity in Brazil's industrial region of Rio de Janeiro and Sao Paulo and the country's biggest single private investment.

HK Shanghai Hotels

REFLECTING the overall rise in hotel occupancy rates in Hong Kong from 67 per cent. in 1975 to 80 per cent. last year and a record 1.5m. visitors, Hong Kong and Shanghai Hotels announced a net profit of \$HK2.08m. for 1976. Daniel Neilson writes from Hong Kong.

NORWEGIAN COMPANIES Ardal has sharp improvement

BY FAY GJESTER
OSLO, March 17.
ARDAL OG SUNNDAL VERK (ASV), Norway's largest aluminium producer, reports pre-tax profits of Kr22.7m. (£2.52m.) for 1976, compared with a 1975 deficit of Kr40m. Group turnover rose by Kr0.8bn. to Kr2.1bn.



Midland in a strong position to aid industrial recovery

76 The Group made a profit before tax of 4 million compared with £2.4 million for previous year. Chairman, Lord Armstrong of Sanderstead, statement to shareholders refers to the use of some £84 million as a welcome cry in profits from the levels of the past two and emphasises the contribution made by the year by subsidiary and associated companies.

In the course of his statement Lord Armstrong commented on the following issues - Capital base - future development needs The Midland recognises it has a part to play in this country's industrial recovery and the improvement in the capital position is essential to ensure that the Bank has a capital base appropriate to both its present volume of business and, of equal importance, the likely future levels. In current conditions the making of profits, and the retention of a reasonable proportion of those profits in the business, is fundamental to ensuring that our capital base is maintained at a level to provide not only the fixed assets we require, but also a fund of free capital to act as cover for the lending activities carried out with depositors' funds.

Staff The readiness of the staff to absorb and master changes during 1976, and the resulting contribution to the success of our business, is warmly acknowledged by the Board. Much thought is being given to practical ways in which staff can express their views in order that they may contribute to the full in the future of the business. The Outlook - hope for industrial recovery 1977 opened on a hesitant note in the world economy. In the United Kingdom, the easing of the pressures which built up in the financial markets towards the end of 1976, should provide a basis on which recovery can now proceed. An important element in this will be the revival of investment in industry and here we look forward to playing our part to the full, trusting that the requirements of monetary restraint and the still substantial, though diminishing, deficit of the public sector will not inhibit our capacity to meet the financial needs of industry.

Table with 2 columns: Description and Amount (£000's). Rows include Profit before taxation (166,397), Profit after taxation (89,546), Profit after extraordinary items and minority interests (71,710), Dividends (16,726), Retained profit (54,984).

Nationalisation - great and unnecessary damage Proposals have been prepared within the Labour Party for nationalising the four largest clearing banks and the acid test of these proposals is to ask if they would ensure an improvement in the way the banks meet the needs of their customers, their staff and the country as a whole. The answer must be that they do not. In fact, I am convinced that nationalisation of the banks would do nothing but great and unnecessary damage to the national economy, to the banks as institutions, to their customers whether personal, industrial or commercial, and to their staff - not to mention their shareholders. In addition to all this, great harm would be done to London as one of the financial centres of the world, thus reducing the contribution to invisible earnings made not only by the banks, but by the City as a whole.

With these uncertainties it would not be sensible to prophesy that business will be easy in 1977, but in the meantime the Bank will be taking some important steps to organise itself in such a way that it will be equipped and ready to meet the developing needs of its United Kingdom customers in the years ahead. If you would like a copy of Lord Armstrong's full Statement and the Report for 1976, please write to: The Secretary, Midland Bank Limited, Head Office, 27 Paternoster, London EC4P 3BX.



Central trading companies: Midland Bank Limited; Clydesdale Bank Limited; Clydesdale Bank Finance Corporation Limited; Clydesdale Bank Insurance Services Limited; Scottish Computer Services Ltd; Northern Bank Limited; Northern Bank Development Corporation Limited; Northern Bank Executor and Trustee Company Limited; Northern Bank Finance Corporation Limited; Northern Bank Trust Corporation Limited; Midland Bank Trust Company Limited; Midland Bank Group Unit Trust Managers Limited; Midland Bank Finance Corporation Limited; Forward Trust Limited; Midland Montagu & Co. Limited; Midland Factors Limited; Midland Bank Trust Corporation (Jersey) Limited; Midland Bank Trust Corporation (Guernsey) Limited; Midland Bank Insurance Services Limited; The Thomas Cook Group Limited; Thomas Cook Limited; Thomas Cook Overseas Limited; Thomas Cook Bankers Limited; Samuel Montagu & Co. Limited (Incorporating Dryden); Dryden Montagu Portfolio Management Limited; Guyenzeller Zuercher Bank AG; Midland Montagu Industrial Finance Limited; Jersey International Bank of Commerce Limited; Bland Payne Holdings Limited; Bland Payne Limited; Payne Reinsurance Brokers Limited; Bland Payne (UK) Limited; Southern Marine & Aviation Underwriters Inc; Bland Payne Australia Limited; London American Finance Corporation Limited; British Overseas Engineering & Credit Company Limited; Drake JTB; International Limited; Drake America Corporation; Export Credit Corporation.

DOMESTIC BONDS Lack of interest in new Swiss issues

BY PAULINE CLARK
THIS WEEK'S loss of face on the foreign Swiss bond market by the World Bank has come at a time when new domestic issues also seem to be suffering from lack of interest. Since the recent issue of a 4 1/2 per cent. Swiss franc bond, several better known names are also this week reported to have caused problems for the underwriters. The latest Eurofima issue with a coupon of 4 1/2 per cent. and issue price of 99.50 led by Schweizerische Bank- und Gesellschaf in Zurich have been barely covered while a new 5 per cent. coupon issued at par and led by Swiss Bank Corporation for the Basle-based Pirelli subsidiary was also being said in some Swiss banking circles yesterday to be a "hard sell". Meanwhile a 4 1/2 per cent. offering at 41 per cent. with an issue price of 99 per cent. for the Lucerne-based nuclear energy concern, AKEB, was said to be in a similar situation. The issue is led by Credit Suisse.

A SINGAPORE 40m. bearer bond issue by the Singapore Government to finance the republic's development projects was reported oversubscribed by the public yesterday. The bond maturing in 1983 and having a coupon rate of 5 per cent. interest earned on the bonds, however, will be tax free. The six-year bond is the first Government bond issue this year, and also the first in bearer form issued by the Government for two years in the domestic market. The amount of abuse of the market by borrowers over the past few months. Apart from S\$2,700m. on development projects this year.

SELECTED EURODOLLAR BOND PRICES MID-DAY INDICATIONS

Table with columns: STRAIGHTS, CONVERTIBLES, and various bond types with prices and yields.



# FINANCIAL TIMES SURVEY

Friday March 18 1977

# IRELAND

If Ireland is to avoid slipping back from its present relative prosperity into the poverty of the past, much needs to be done—and done quickly—to speed up the rate of economic growth. Unemployment is already the highest in the EEC, yet many more jobs will be required to meet population forecasts.



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BASIC STATISTICS	
Area	27,136 sq. miles
Population	3,162,000
GNP 1976	(provisional) £4,404m.
GNP per capita	£1,421
TRADE (1976 provisional)	
Imports	£2,326m.
Exports	£1,857m.
Imports from U.K.	£1,154m.
Exports to U.K.	£966.5m.
External reserves (mid-March)	£986m.

style economic deterioration and political chaos. It is an exaggeration. In any case, Ireland's problem is not of sliding abruptly into disaster but of slipping gently into poverty when compared to its already richer European neighbours. To return to the looming population crisis, the choice that must urgently be made is between restructuring industry to become much more labour-intensive, and less profitable, or allowing the "haves" to retain their wealth in the face of fast growing unemployment. The issue does not, sadly, appear to be one that will dominate the coming General Election. Both political blocs apparently fear the consequences of frightening the voters.

balance to London. The Irish Finance Minister Mr. Richie Ryan describes as "structural disadvantages." Small wonder, too, that Ireland is inclined to blame Britain for many of her economic ills. The Republic's EEC league-topping inflation rate of 18 per cent last year had been around 21 per cent in 1975, and with half of Ireland's imports coming from the U.K. the temptation was to state that the whole problem was imported. To a large extent, it is true for the two economies are inextricably intertwined. But there is an inconsiderable hazy of opinion in Dublin that Ireland should sever its sterling link, which is said to hold the Republic back. The danger is, of course, that without the offsetting effect of sterling's progressive devaluation, the buoyancy of Irish exports would have been punctured. As it was, the competitiveness gained in world markets as sterling fell was largely eroded by Ireland's inflationary wages position, for pay awards in the past three years have outstripped those in Britain. Some outside observers maintain that the link with Britain—the currency or the free movement agreement that allows Irish citizens to live in the U.K.—is the only thing that stands between the Republic and Latin American

**Dominant**  
No doubt because neighbouring Britain is such a dominant force, Ireland tends to be too much on the matter of its national sovereignty. The Republic embraced EEC membership with fervour because Brussels is a welcome counter-

vital element needed to solve Ireland's extremely serious medium-term problems. The Republic faces a population explosion of frightening dimensions, and unless radical industrial restructuring measures are taken very soon it can expect unemployment to be so high in ten years time that its internal political stability may be at risk.

Only a few weeks ago the Government's Central Statistic Office came out with figures that more or less confirmed those produced in February, 1975 by Ireland's foremost demographic expert. A shade more conservative than the original figures, the CSO nevertheless projected that the Republic's population will top 3.5m. by 1986. The two-year old report, prepared by Professor Brendan Walsh for the National Economic and Social Council that advises the Irish Government had already spelled out the problem in alarming detail. Assuming, as Ireland now must, that the traditional overspill for her high birth rate of emigration is largely closed, the Republic's population could go as high as 8.6m. in 10 years' time and 4.3m. by the turn of the century.

Unemployment is already the highest in the EEC at just over 12 per cent—and probably much more, if the authorities were able to analyse the grey area between unemployment and underemployment. Apart from the long-term planning required to cope with the coming population bulge, the Irish must provide a total of about 420,000 new jobs by 1986, almost 50 per cent more than the existing workforce, if unemployment is to be reduced to an "acceptable" 4 per cent. In short, they must revolutionise industry to accommodate those people already born, let alone those who soon will be born given the existing social trends in Ireland.

**Extremism**  
The Northern Ireland situation continues to dominate Irish politics to a degree that often seems disproportionate. Mr. Cosgrave's Government takes the firm view that Britain must remain in Ulster, militarily and economically, for the foreseeable future—which is to say until a political solution can be found. To that extent, the U.K. and the Irish Republic have a common position and Dublin's the Mediterranean crackdown on the Provisional IRA over the past two years has done much to dispel British prejudice that the South quietly supports Republican extremism. On the other hand, the reaction he replies: unification of Ireland into a single 32-county nation remains a quite the same legitimate aspiration, enshrined in the constitution, and the reality of Ireland's average Irishman's sense of history is enough to make him

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S  
s Merritt  
respondent

IS shaping up for a recession this year, perhaps next three months as possibly in the next few months. It is putting money on the line, which after four years have been politically difficult says for the present Irish and—less obviously—nothing too about life in the Republic generally.

often a disturbing country's true state, so in the case of a recession as the Irish that is so often outbursts of violence related to Ulster population of just lacks the economic take positive news in it.

ed  
e economic disaster have dogged Mr. Cosgrave's Government past year, Ireland and the worldwide remains relatively Most important, is a pleasant and in life in. What is taking efficiency for in respect of al's rights. It enjoys parliamentary democracy far it has escaped and of a top-heavy Dublin has just st EEC body and it s, no accident that a called the Euro- tion for the. En- f Living and Work- ne. concern, however, then, less realized later come to call of life" is never- ved blessing. As a of the EEC and ation that demands ards comparable to European partners. nder pressure from without to gear it- d's, more pro- d. At present the long Irish Labour s towards demands y rates and shorter weeks — Ireland's ue with Britain is ily positive.



## HOW MANY ORGANISATIONS ARE INVOLVED IN ESTABLISHING A FACTORY IN THE REPUBLIC OF IRELAND?

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IRELAND III

Unemployment remains at a high level

Finance Minister, Mr. Ryan, presenting his annual report...



Increased competitiveness, seems reasonably stable—although that is outside Irish control...

Optimistic Despite all this, what might be called the fundamental Irish problem of creating reasonably full employment...



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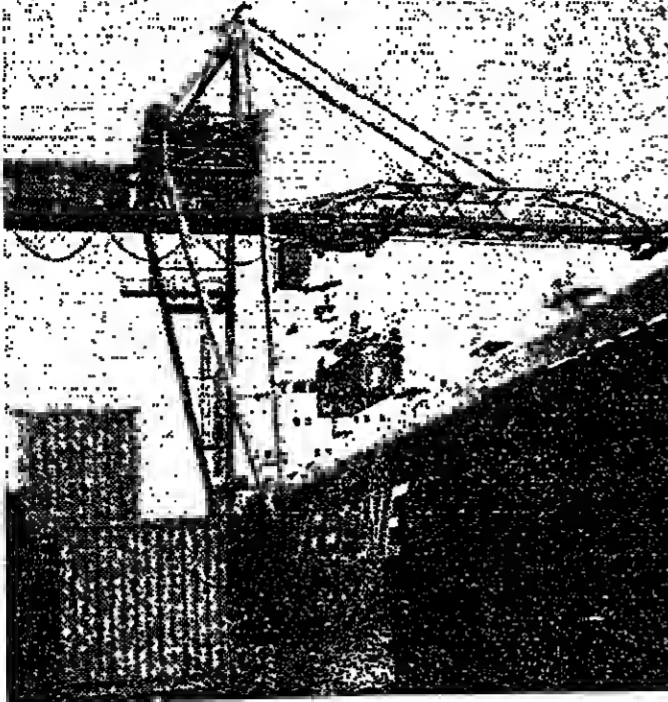
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## IRELAND IV

# Disappointments in oil exploration

HAD THE Irish Government found oil, gas or minerals during the past year with the same ease as it found political trouble over natural resources, its Ministers would be a very happy group of men indeed.

Alas, that was not the case and, although natural resources dominated the headlines in one way or another for much of the past year, practical achievements were harder to find. Oil is still the country's biggest hope but no one has yet made a practical find. This was particularly disappointing last season which saw the largest concentration of drilling since companies first took an interest in Irish offshore waters.

Most disappointing, perhaps, was what seemed a final admission by Esso Marathon that there were no commercial reserves of oil in the field they had been exploring off the south coast.

Disappointing, because this was the first, and therefore most intensively explored, field in Irish waters. And, although it might have been asking too much to expect a find in the first block that was thoroughly drilled, it was a dampening end to a season which began with high hopes.

### Attitude

That is not to say that the possibility of significant finds can yet be ruled out and of official attitude remains one of quiet optimism. This is based not only on the reports of the geologists but also on the fact that the exploration companies remain as interested as ever in acquiring licences.

At the time of writing details have not yet emerged of just how many companies will want to drill where, because they tend to hold their applications to the last moment. But it is known that Shell/Dominex, Ranger and City Services will all drill this season. The area which Shell and its partners will explore is the Porcupine trough off the west coast and this is an area where some results could be expected. On current form it may be that any finds made will in fact be off the west coast, with its attendant problems of deep water and bad weather, rather than the more favourable east coast or Celtic Sea.

Even allowing for that, it remains true that any commercial find of oil would revolutionise the prospects for the Irish economy. In this sense, Ireland's position is more akin to that of Norway (or an independent Scotland) than that of the U.K. Indeed, a major oil find still looks the only way of saving Ireland from either an eventual return to high emigration levels or serious structural unemployment.

The one commercial hydrocarbon find to date is the small gas field off Kinsale on the south-west coast. Work is proceeding, apparently on target, to bring the first gas ashore by early next year.

Contracts have already been awarded for making the pipeline sections (they will be made by British Steel), transporting them to Kinsale and for the land and under-water laying work.

The field will make a useful saving on the Irish balance of payments but is small by North Sea standards.

The oil story which attracted most attention in the Irish Press was the dispute between Britain and Ireland over territorial rights in the area around Rockall. This came to a head when the British Government offered BP two blocks in the disputed area, despite an Irish request that the argument should go to arbitration.

Judging from maps published in Britain it seems clear the British claim is based on ownership of Rockall itself. The Irish position is that a lump of uninhabitable rock cannot generate its own 200-mile economic zone and that the lines must be drawn from the respective coastlines.

Even that approach could cause difficulty and the Irish have welcomed the recent British decision to go to arbitration, even though it is rumoured that their decision had more to do with the need to improve general Anglo-Irish relations than any change of heart on the Rockall issue. In any case the area is one of extremely deep water and dreadful weather. This has not stopped the oil companies showing keen interest in it, however, and the outcome of arbitration could be important. Again, where land-based minerals are concerned, more time has been spent in Parliament digging out unpalatable nuggets about rival politicians than in advancing the exploitation of Irish deposits.

The ins and outs of the agreement between the Bula mine company—which owns some of the lead and zinc deposits at Navan—and the Government have dominated public and parliamentary attention to an inordinate degree. The Navan ore body represents Ireland's biggest proven reserves of minerals with enough ore to provide substantial extraction for the next 25 years. But it is owned by two companies, Bula

and Tara, on either side of the River Blackwater.

The Government has long since come to terms with Tara but Bula has proved more difficult. An early attempt to take the mine into public ownership failed when the courts ruled that the private owners of the land had a right to the ore, leaving the Government no option but to come to terms with them.

### Agreement

The arbitrators valued the holding at £8.7m. and, under the terms of the agreement the Government is obliged to abide by that. The storm broke when it emerged that the Government's own valuers, the London firm of Lazard's, valued the entire mine at only £7m.

Things worsened when it became clear that Parliament would not be allowed to know the terms of the agreement, in the interests of confidentiality, and that the Government's shareholding would not give it actual control of the company. There were some unpleasant exchanges with the Minister, Mr. Keating, revealing that the Opposition spokesman had bought shares in Tara when he was a Minister and the Opposition claiming that Mr. Keating had once been under surveillance because of Communist activities.

On the commercial side, in fairness to Mr. Keating, it is probably true that he had to make the best bargain he could get. In any case, if Lazard's valuation is correct it throws doubt on the whole question of the contribution the Bula mine could make to the economy.

Mr. Keating's political skill

may have deserted him for once but in the long term the Government hopes to avoid such embarrassments by bringing in a Bill taking all mineral deposits into public ownership. Drafting such a Bill will not be easy because of the protection of private property enshrined in the Irish constitution.

Any survey on Irish natural resources to-day would be incomplete without some mention of fisheries. The most consistent headline-catcher of the past year in Ireland has not been oil, or Bula, or even the security situation, but the fight to secure an exclusive 50-mile fishing limit. This illustrates a considerable change in public attitude since 1972 when Ireland joined the EEC and, like Britain, agreed to adopt an EEC policy which would, by the 1980s, have allowed EEC boats access to all Irish waters.

Perhaps because of the Icelandic action, or the general growing awareness of the importance of natural resources, fishery limits have become a big political issue. The fishermen's demands have support across a wide section of public opinion, even from people who have not eaten fish since the Catholic Church abolished meatless Fridays.

An expanded Irish fishing industry could make a significant contribution to the economy, particularly in the west where alternative sources of employment are hard to find. But the opposition of other EEC countries is so strong that a 50 mile limit still seems something of a long shot.

Ireland does hold some cards in Brussels, including the threat of unilateral conservation measures and a veto on agreements with non-EEC countries. These may yet force the EEC to come up with proposals which, even if they do not include the 50 miles, would offer protection to the genuinely threatened fish stocks and give the fishing industry a real prospect of expansion.

By a Correspondent

## Troubled times for tourism

A HOLIDAY in Co. Kerry in 1969, if not my most comfortable, was definitely the most memorable. It had all the elements of what the Irish Tourist Board, Bord Fáilte, refer to as "the product." In other words, the dazzling beauty of the countryside with its tangled hedges of fuchsia and honeysuckle, and windswept white beaches; the relaxed welcome of naturally hospitable people; and the gentle pace of life on horseback when there is a select bar with well-drawn stout around nearly every bend in the road.

On the other hand, beneath the romance, the guest house food was monotonous, oily fry at breakfast and high tea, the horse deal totally unprofessional—and no one even checked to see if we knew which end was which and the saddles and bridles were tied up with string. But since then, things have changed.

For since 1969, the Irish tourist industry has been facing a severe challenge. In this period, the number of visitors from Britain, its biggest market, has dropped from a 1969 peak of 1m. to 750,000 in 1976. In the same period, the industry has been kept on its toes by the challenge. It has become much more self-aware and more professional. Last year's National Plan published by Bord Fáilte specified that while preservation of Ireland's natural resources was a top priority for expanding the tourist industry, this was not enough in itself. Of equal importance was the improvement of amenities, service and standards of hygiene. The message, however, had been percolating through the hotels, farmhouses and riding schools for several years to good effect.

Although Ireland lives up to the beauty of Bord Fáilte posters, and the welcome is as warm as ever, it also has the mistake image of being cheap. The image projected by the advertising and brochures, with humble cottages, donkeys and green pastures seems also to imply a low cost of living. True, perhaps for the French or Germans whose own boating or riding holidays are twice as expensive, but not for the British who used to think of a trip to Ireland in the same casual way as popping into a neighbour's house for the afternoon.

The problem for Bord Fáilte is that the British arrive in force and contributing approximately 4 per cent. of GNP. However, the industry is particularly important as a source of foreign exchange—the target for 1977 is £219m., a growth of 21 per cent.—and

as a source of jobs in the less developed regions.

The seven year decline in the major market of tourism has therefore had far-reaching effects. Bord Fáilte calculates that the holiday industry has lost £100m. because of the offsetting effects of the escalation of violence in the North and a fresh marketing offensive is being launched this year in an attempt to reverse the trend. The idea is to convince the holidaymaker that he will still find a welcome in Kerry, or Connemara, whatever the hostility in Armagh or County Down.

### Message

To put this message across, 100 representatives of the Irish tourist industry will shortly be making a two-week tour of the U.K., calling at clubs, travel agents and business houses to extend a personal invitation to British visitors. This will be followed by an incentive scheme for travel agents who will be invited to compete for a yet un-disclosed prize, as they increase their sales of Irish holidays. As a further incentive, both Sea-link and B and I Ferries have announced fare reductions which make getting to Ireland more competitive with the routes to the Continent.

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most put off by the high cost of getting to Ireland—with no duty-free arrangements to soften the blow—petrol at just under £1 a gallon and beer at up to 50p a pint.

Nevertheless, by sheer weight of numbers the British remain Ireland's most important tourist market and this year's marketing effort aims for an increase in tourist numbers of 2 to 4 per cent. and a 15 per cent. increase in revenue. North America is Ireland's number two source of tourist revenue. This year the marketing targets are for an increase in revenue of 22 per cent. to £52.4m. (compared to £53m. from Britain) and a 6 per cent. increase in numbers. In attracting new American visitors Bord Fáilte will concentrate not so much on ethnic links with the old country but on wooing new tour operators with special interest holidays such as fishing and golfing.

Pamela Readhead

## THE IRISH TIMES

THE IRISH TIMES  
 asks EEC limit

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Bank denies special lead market investigation

THE BANK OF ENGLAND categorically denied last night a report that it was holding a special investigation into the lead market on the London Metal Exchange.

Cocoa and coffee up again

By Our Commodities Staff WEDNESDAY'S LOSSES on the London cocoa and coffee terminal markets were shrugged off yesterday in the face of a new wave of buying.

FRENCH AGRICULTURE Poised for explosive expansion

EARLY THIS month I spent a few days in Normandy and Brittany. What I saw convinced me more than ever that French agricultural production is almost certain to expand with explosive force in the next few years.

MPs back U.K. fishing stance

U.K. NEGOTIATING policy on the EC's Common Fisheries Policy was applauded yesterday in an interim report by the House of Commons Expenditure Committee sub-committee on the U.K. fishing industry.

U.S. willing to join world trade pacts

WASHINGTON, March 17. MR. FRED BERGSTEN, the U.S. Assistant Treasury Secretary, said the U.S. was willing to consider membership of international commodity agreements which would serve to help stabilize prices for both primary commodity exporting countries and the major importing nations.

Fresh call for strong farm export body

ON THE eve of the meeting to decide the future of the British Agricultural Export Council—another independent Government report was published yesterday calling for a new central body to promote Britain's farm exports.

MODITY MARKET REPORTS AND PRICES

Table with multiple columns listing commodity prices for items like Wheat, Barley, and various oils. Includes sub-sections for METALS, COFFEE, RUBBER, SILVER, and SOYABEAN MEAL.

PRICE CHANGES U.S. Markets

Table showing price changes for various commodities in U.S. Markets, including Wheat, Corn, and other grains.

PRICE MOVEMENTS

Table showing price movements for various commodities, including Wheat, Barley, and other grains, with columns for price per ton and other units.

Wool Futures

Table showing wool futures prices for various types of wool, including Australian and New Zealand wool.

The Building and Civil Engineering page is published in the Financial Times every Monday and carries news items relating to contracts and important developments in the construction industry.

Financial Times advertisement for Big Argentine Wheat Crop, featuring a large headline and detailed text about the crop's significance and market outlook.

STOCK EXCHANGE REPORT

Gilt-edged close at best with further gains to £1 1/4 Equities good with index 5.8 up at 433.8—Numerous features

Account Dealing Dates
Opinion
\*First Declared Last Account
Dealings Days Dealings Day
Feb. 28 Mar. 10 Mar. 11 Mar. 22
Mar. 23 Mar. 24 Mar. 25 Apr. 5
Mar. 28 Apr. 6 Apr. 17 Apr. 20

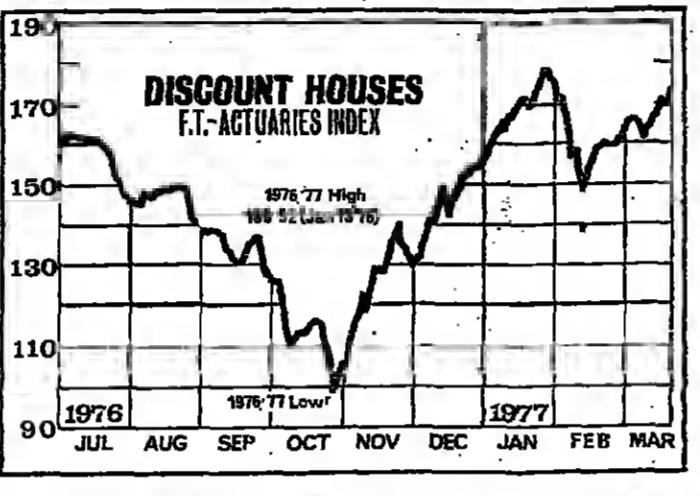
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De La Rue erratic
A strong rumour that De La Rue had negotiated or was about to negotiate the sale of its Formica division sent the shares racing ahead to a 1977-78 peak of 382p, having eased to 355p before the chairman's reported resignation.

BP calm
Despite annual net profits that were well below general expectations, British Petroleum showed little overall reaction to the news: standing at 886p in front of the figures, the price fell back to 878p after the announcement and only a London support (the US was a potential seller) the price rallied to close only a net 4p down at 882p.

Table with columns: Govt. Sec., Fixed Int., Industrial Ord., Gold Mines, Ord. Div. Yield, Earnings, Div. Yield, Dealings market, Equity turnover, Equity bargains total.

Table with columns: High, Low, High, Low. Lists various stock prices and indices.

ENTERTAINMENT GUIDE

Entertainment Guide listing various theatres, operas, and musicals with showtimes and descriptions.

RECENT ISSUES

Recent Issues section containing tables for Equities, Fixed Interest Stocks, and Active Stocks.

FT-ACTUARIES SHARE INDEX

FT-Actuaries Share Index section containing tables for Equity Groups, Fixed Interest, and Options Traded.

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AUTHORISED UNIT TRUSTS

OFFSHORE AND OVERSEAS FUNDS

Main table listing various unit trusts and offshore/overseas funds with columns for fund names, managers, and performance data.

BASE LENDING RATES

Table listing base lending rates for various banks and financial institutions.

DRAWING

Text regarding the drawing of bonds for the Peruvian National Loan External Sinking Fund Bonds 1978.

INSURANCE, PROPERTY, BONDS

Table listing insurance, property, and bond products from various companies.

NOTES

Notes and additional information regarding the insurance and bond products listed.

INSURANCE BASE RATES

Table listing insurance base rates for various policies and coverages.



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INDUSTRIALS - Continued

Table of industrial stocks including companies like British Petroleum, Shell, and ICI, with columns for stock price, price change, and volume.

MOTORS, AIRCRAFT TRADES

Table of motor and aircraft related stocks, including Commercial Vehicle and Components sections.

PROPERTY - Continued

Table of property-related stocks and companies.

TRUSTS - Continued

Table of trust-related stocks and companies.

TRUSTS - Continued

Table of trust-related stocks and companies.

NOMURA The Nomura Securities Co., Ltd. advertisement with contact information for London and Tokyo offices.

MINES - Continued table listing various mining stocks and their prices.

AUSTRALIAN table listing Australian stock market data.

OVERSEAS TRADERS table listing international trading companies.

RUBBERS AND SISALS table listing rubber and sisal related stocks.

TEAS table listing tea-related stocks.

INDIA AND BANGLADESH table listing stocks from India and Bangladesh.

AFRICA table listing African stock market data.

MINES table listing mining stocks.

CENTRAL RAND table listing central rand mining stocks.

EASTERN RAND table listing eastern rand mining stocks.

FAR WEST RAND table listing far west rand mining stocks.

NEWSPAPERS, PUBLISHERS

Table of newspaper and publishing stocks.

TEXTILES

Table of textile industry stocks.

SOUTH AFRICANS

Table of South African stock market data.

NOTES

Notes section containing financial commentary and market analysis.

RECENT ISSUES AND RIGHTS

Recent Issues and Rights section listing new issues and rights issues.

INSURANCE

Table of insurance company stocks.

PROPERTY

Table of property-related stocks.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land-related stocks.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land-related stocks.

FINANCE

Table of financial institution stocks.

DIAMOND AND PLATINUM

Table of diamond and platinum related stocks.

REGIONAL MARKETS

Regional Markets section listing regional stock market data.

OPTIONS

Options section listing 3-month call rates.

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BE SCOTCH

£90m. iron ore processing plant for Tyneside

BY ROY HODSON

AN INTERNATIONAL consortium is to build a £90m. plant on Tyneside to process iron-ore. The members are Consolidated Goldfields, Sheerness Steel Company, Fiat, Manchester Steel Company, and Tube Investments.

Sheerness, has been the driving force behind the ore-plant project. The precise workings of the plant is taking 12.5 per cent. to obtain a new source of iron for its foundries.

Sheerness Steel, Manchester Steel, and other mills at home and abroad will be taking the product by rail and sea. The Tyneside plant is expected to bring about fundamental changes in British steel-making.

The economics of the industry are making the technique of steel-making by the use of directly reduced iron ore is expected to be more attractive than ever before, compared with the traditional hot metal route of the blast furnace and steel furnace.

Bank takes firm action to stem fall in rates

By Michael Blanden

THE BANK of England took firm action yesterday to stem the downward trend of short-term interest rates.

Its actions were taken as an indication that the authorities would be unhappy to see a fall of more than 1 per cent. in the official minimum lending rate today from the present 11 per cent.

Formula

It was thought that the Bank would be prepared to over-ride the normal market formula today, if necessary, to limit the reduction in MLR to acceptable levels. New powers to limit or prevent a fall in the rate as a result of the Friday bill tender were taken last week as a measure to strengthen the official control.

Drop in money supply brings growth well within target

BY MICHAEL BLANDEN

CONTINUED SALES of gilt-edged stocks and a fall in bank lending brought another drop in the money supply last month.

private sector sterling sight deposits, was inflated by a sharp rise in the banking system's current account funds and rose by 1.3 per cent. last month after seasonal adjustment.

sterling lending to the private sector and a Government borrowing requirement which was again fairly modest compared with earlier in the financial year.

Table with 6 columns: Year, Money stock M1 (Unadjusted, Seasonally adjusted, %), Sterling M3 (Unadjusted, Seasonally adjusted, %), Bank lending\* (Unadjusted, Seasonally adjusted). Rows for 1976 and 1977.

\* To private sector in sterling

Source: Bank of England

last year to counter an excessive growth of the money supply, the expansion is now well within the targets set for the current financial year.

Bank of England's latest Quarterly Bulletin, but it was also pointed out that the money supply measure may not be so much below the expected growth range.

of gilt-edged were "on a scale much reduced from the exceptional level of the previous month. The money supply figures were also increased by a further inflow of funds from overseas—though on a smaller scale than in the previous month—which have the effect of increasing money stock without affecting the domestic credit expansion.

Continued from Page 1

68 die in Lebanon revenge waves

for Mr. Jumblatt's sister Linda, assassinated in Beirut less than a year ago. At the time Mr. Jumblatt pointed out that his father had also been murdered, and that "deep down I feel that I will meet the same fate."

authorities continued to hunt for the four men who intercepted Mr. Jumblatt's car and shot him along with his driver and bodyguard. An abandoned Pontiac Firebird car with Iraqi registration was found. Investigators tried to check if the number plate was fake.

Some observers believe that it is an over-simplification to attribute the assassination to family conflicts. They said the murder appeared calculated to achieve far-reaching political goals.

have put forward counter-proposals providing for a system of decentralisation with each district and community running its own affairs. The Muslims and Left rejected the suggestions.

Weather

U.K. TO-DAY BRIGHT intervals. Heavy showers. London, E. Anglia, E. and N.E. England Sunny intervals. Occasional

heavy showers. Wind S, fresh. Max. 11C (52F). Rest of England, Wales, Channel Is. L of Man. N. Ireland Bright intervals. Heavy showers. Wind S.W., fresh. Max. 11C (52F).

Table with columns: City, Day, Night, Year, Day, Night, Year. Lists various cities and their weather forecasts.

Table with columns: City, Day, Night, Year, Day, Night, Year. Lists holiday resorts and their weather forecasts.

Continued from Page 1

Leyland reviews future

ned in the cars group, the investment programme will have to be trimmed with some loss of jobs. There have been suggestions that the company could lose up to 45,000 workers in a phased programme over two to three years, although it is likely to be less.

the provision of investment finance would be conditioned upon a dramatic improvement in productivity and output levels. It is also apparent that Leyland into Leyland will be conducted, but it is not expected to be on anything like the dramatic scale of that conducted by Lord Ryder.

Secrets Bill for autumn session

By Rupert Cornwell, Lobby Staff

MR. MERLYN REES, the Home Secretary, is hoping to introduce the promised Official Information Act to replace the much-criticised Section 2 of the existing Official Secrets Act in the coming Parliamentary session, starting this autumn.

Mr. Rees gave this message at a Commons meeting yesterday with MPs from Westminster's all-party committee on freedom of information. But he said the Government could give no firm commitment yet on a date.

The new Act, which the Home Secretary outlined in the Commons last November, broadly removes criminal sanctions on the disclosure and receipt of official documents not home and economic policy matters, even when they are Cabinet or Cabinet Committee papers.

Section 2, the notorious "catch-all" clause of the old Act, made the disclosure and receipt of any official information whatsoever in theory a criminal offence and had become almost unworkable.

Its successor will limit sanctions to information marked with a new category— "Defence and International—Confidential." This will exempt defence secrets and intelligence, and certain foreign policy matters.

However, Labour MP Mr. Arthur Lewis, who heads an all-party pressure group, seeking changes in the Act, appeared to receive little satisfaction from the committee's faction on the broader revision that would remove the Government's ability to refuse people access to information, either on themselves or on public matters of legitimate interest.

Section 2, he said afterwards, could be invoked by any official to keep information away from individuals if they so wished.

News Analysts Page 10 Parliament Page 15

Devolution may face new delay

By Richard Evans, Lobby Editor

MR. MICHAEL FOOT, the Minister with responsibility for devolution, admitted for the first time last night that it might not be possible to resurrect the shelved Scotland and Wales Bill until the next parliamentary session.

The clear hint of further delay is certain to infuriate the Scottish and Welsh Nationalists, who will increase their propaganda onslaught against the Government and be less likely than ever to back the Government in key Commons divisions.

Mr. Foot told MPs during a Parliamentary Labour Party discussion on the legislative programme that the Government had not abandoned the Bill, which was withdrawn from the Commons last month as a result of the failure to secure the guillotine motion.

Any proposal for dropping the Bill would have "serious repercussions" on the Government, and legislative time would have to be allowed for the return of the Bill later this session, he argued.

But Mr. Foot then admitted that among the possible items for the next session was a revised devolution Bill as well as the anticipated legislation on worker participation and on merchant shipping.

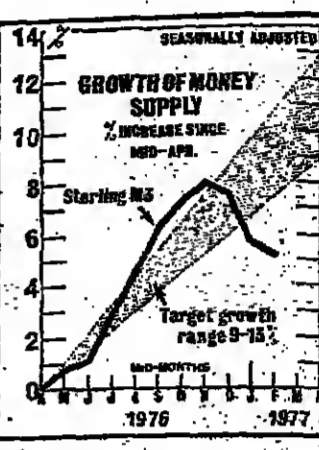
Until now, Ministers have insisted that the contentious Bill, giving a degree of home rule to Scotland and Wales, has been withdrawn only for a matter of weeks to allow discussions to take place with Opposition parties and with groups of Labour rebels whose failure to support the guillotine led to the Government defeat.

THE LEX COLUMN The two-tier credit threat to BP

The downwards rush by interest rates is on again in earnest, and the Bank of England appears prepared to go at least part of the way with the markets.

Although yesterday's money supply figures did not show quite such a large fall in M3 in February as generally expected sterling M3 remains substantially below the target range. And with the cost of forward sterling cover easing, interest rates are maintained might produce an uncontrollable inflow of hot money. Under the formula MLR could fall by 1 or even 1 per cent. to-day, but the Bank is quite likely to use its new powers to limit the drop to half a point. Meanwhile, the clearing banks must be considering a further drop in base rates as interbank rates have eased another point or so in the past week. And gilt-edged gains stretched to over 14 points yesterday.

Index rose 5.8 to 433.8



BP

With output by the Forties Field coming up to 400,000 barrels a day by the final quarter, most analysts had been going for something over £500m. of net income from BP for 1976. But the figures turned out to be something of an anti-climax yesterday: the last three months only added £35.2m. (cumulative distorted by year-end adjustments) which represents no significant improvement on the £53m. earned in each of the second and third quarters, and the total for the year is just £179.8m. or 46p a share.

The price finished 4p down at 884p, where the yield is rather beside the point at 3.5 per cent.

Plainly, the Forties contribution is still being largely lost somewhere inside BP's accounting system. A full interest charge is now being made, and heavy tax provisions are being set aside (some £155m. in deferred corporation tax and PRT in October/December). And there is a stocking-up period before the full impact of higher production comes through. Elsewhere, the European marketing scene has stayed very poor in most countries for BP, and the helpful currency background of the first nine months became much less favourable as sterling rose towards the year-end. On the other hand, volume stayed firm, with product tonnage up a tenth consistently through the year, and even crude sales rallied in the final quarter, as liftings jumped ahead of the

taking as a immediate as a whole. For when that proved fort, and it banking pe going space new being over the 1 depends on which is su produced, a developer in the 3rd 88.7m.

COINAGE Estates Trust of 1954. It is in the reasonable, that Comm-ested. M marketable Lawson's appeared House post estimate of £23m. of 8. And the a rectly obvi can be due as to, incre If it a deal world CIP's share something rights and. However, increase in under has per cent. less than petitions

Slater Walker

Slater Walker's equity base declined by a further £6.3m. in just over £2m. in the half-year to last June, and its borrowings must have increased measurably over the period. Some £65m. of the group's £100m. of borrowings at the start of the year was denominated in foreign currencies.

However no mention is made in yesterday's interim statement of any proposals to ask the loan stock holders for permission to increase the borrowings limit, which is currently stand at roughly three times net worth.

Such a move was said last September to be in the cards in the near future.

The reason this has not yet been necessary is that in the second half of 1976 the Bank of England allowed SWS to buy £25m. of new equity to buy back £25m. of loans and bonds at a capital profit of £m. really so reversions inject £10m. of new equity will be capital into its banking subsidiary as soon as practicable. But the Bank is evidently prepared to regard this under capital

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